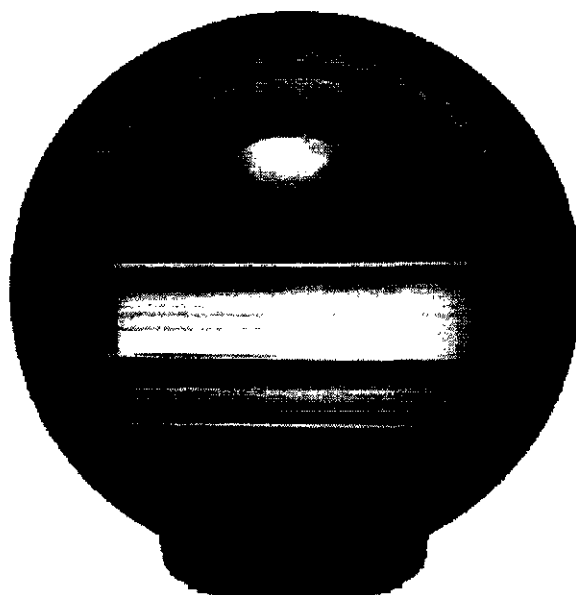


DeSoto Parish School Board

Mansfield, Louisiana



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/26/07

Comprehensive Annual Financial Report
for the year ended June 30, 2007

This Comprehensive Annual Financial Report (CAFR) was published by the DeSoto Parish School Board, 201 Crosby Street, Mansfield, LA 71052.

The CAFR was assembled, audited, and printed in compliance with Louisiana Revised Statute 24:514 and was distributed to the elected school board members of DeSoto Parish, the Louisiana State Department of Education, and the Louisiana Legislative Auditor.

Anyone interested in reviewing this document or any prior year sworn annual financial statement can go to http://www.desotopsb.com/content.asp?site_page_id=2, or they can contact the Director of Business Services; DeSoto Parish School Board; 201 Crosby Street; Mansfield, LA 71052.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2007

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DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Comprehensive Annual Financial Report

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INTRODUCTORY SECTION



DeSoto Parish School Board

201 Crosby Street - Mansfield, Louisiana 71052 - (318) 872-2836 - FAX (318) 872-1324



WALTER C. LEE
Superintendent

November 7, 2007

RE: Financial Statement Transmittal Letter for the
Fiscal Year Ended June 30, 2007

To the Elected School Board Members and
Citizens of DeSoto Parish:

Louisiana law requires that an annual sworn financial statement be furnished to the Legislative Auditor within six months of the close of each fiscal year in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a certified public accountant. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the DeSoto Parish School Board for the year ended June 30, 2007.

The DeSoto Parish School Board's CAFR has three basic sections:

- The *Introductory Section* provides general information on the DeSoto Parish School Board's structure and personnel as well as information useful in assessing the Board's financial condition.
- The *Financial Section* contains the basic financial statements and required supplementary information (including management's discussion and analysis), as well as, the independent auditor's report. In addition, the financial section provides information on each individual fund for which data is not provided separately within the basic financial statements. The financial section also includes supplementary information useful to financial statement users.
- The *Statistical Section* provides a broad range of trend data covering key financial indicators from the past 10 fiscal years (for instance, general government revenues and expenditures, property tax collections, debt burden). It also contains demographic and miscellaneous data useful in assessing the Board's financial condition.

Management's Representations & Internal Control Framework

This report consists of management's representations concerning the finances of the DeSoto Parish School Board. Consequently, the Superintendent and the Director of Business Services assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, we have established a comprehensive internal control framework designed both to protect the School Board's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the DeSoto Parish School Board's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the DeSoto Parish School Board's comprehensive framework of

To the Elected School Board Members and
Citizens of DeSoto Parish
November 7, 2007

internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Independent Auditor's Review of Financial Statements

The DeSoto Parish School Board's financial statements have been audited by Allen, Green & Williamson, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance the financial statements of the DeSoto Parish School Board for the fiscal year ended June 30, 2007 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the DeSoto Parish School Board's financial statements for the fiscal year ended June 30, 2007 are fairly presented in conformity with (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the DeSoto Parish School Board was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the DeSoto Parish School Board's separately issued Single Audit Report.

Management's Discussion & Analysis (MD&A)

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The DeSoto Parish School Board's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DESOTO PARISH SCHOOL BOARD

The DeSoto Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within DeSoto Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of 11 members who are elected from 11 districts for terms of four years.

The School Board operates 12 schools within the parish, employs more than 760 teachers and other school workers, and has a total enrollment exceeding 5,000 pupils. In conjunction with the regular educational programs, some of these schools offer pre-kindergarten, special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

To the Elected School Board Members and
Citizens of DeSoto Parish
November 7, 2007

The Annual Operating Budget serves as the foundation for the DeSoto Parish School Board's financial planning and control. All administrators are required to submit requests for appropriation to the Director of Business Services on or before February 20th of each year. Compilation of the budget is completed by the Business Office and sent to the Superintendent for review and/or alterations by March 20th of each year. The final draft of the proposed Annual Operating Budget is presented by the Superintendent to the School Board at its regular meeting in May of each year. This gives the Board Members at least 30 days to review the budget before voting on it in an open meeting.

Before the budget is voted on by the School Board, the Budget/Finance Committee reviews the budget. The Board is also required by Louisiana law to hold at least one public hearing prior to its adoption, to publish a notice in the newspaper of the upcoming public hearing, and to make available to the public a copy of the proposed budget at least 15 days prior to the public hearing. The public hearing and the vote by the elected School Board Members on the Annual Operating Budget is held on the first Thursday in June of every year.

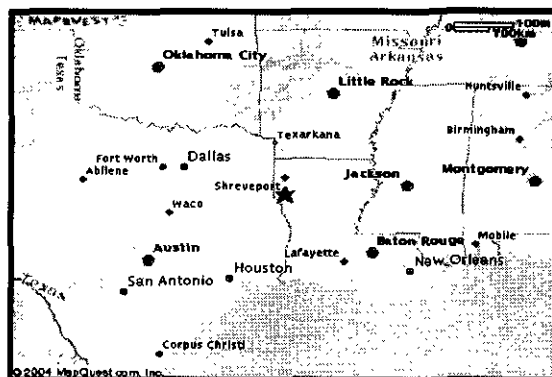
The approved Annual Operating Budget presents revenues by source and expenditures by function as defined by the Louisiana Board of Elementary and Secondary Education's Bulletin #1929. The Superintendent is authorized to transfer amounts between line items within a fund in accordance with proper accounting procedure without approval by the Board. However, budget amendments are required when total revenues drop 5% or more below expectations, total expenditures exceed budget estimates by 5% or more, and when beginning fund balance is less than 5% or more of its projected amount.

Budget-to-actual comparisons are provided in this report for the General Fund and each individual Special Revenue Fund.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the DeSoto Parish School Board operates.

Local economy: DeSoto Parish is located in the northwest corner of Louisiana. It has a land area of 879 square miles and is approximately 43 miles in length and 39 miles in width. Interstate 49 runs north and south through the parish and the northern boundary of DeSoto Parish is approximately 10 miles south of Shreveport, the largest metropolitan area of the region. The parish's economy is balanced among agriculture, mining, timber, oil & gas exploration, and manufacturing. Consistently low wealth and income levels, approximately 58% of the national averages, and high unemployment rate of 5.5% coincide with the School Board's shallow economic base.

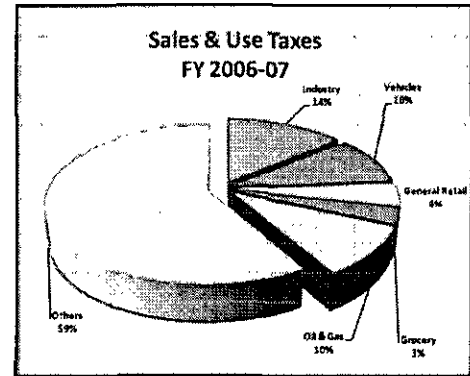


To the Elected School Board Members and
Citizens of DeSoto Parish
November 7, 2007

Sales & Use Tax Collections

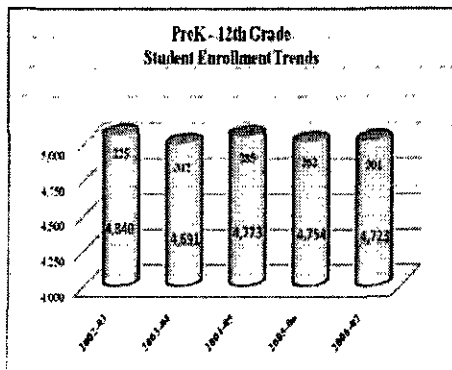
Total sales and use tax collections for all nine governmental bodies in DeSoto Parish exceeded \$23.0 million in fiscal year 2006-07. Comparing total collections for the current fiscal year to the prior fiscal year shows a 20.4% increase.

The pie chart to the right shows approximately \$9.5 million of the total sales and use tax collections (41.3%) were received from the top 5 business classifications of taxpayers: industry, vehicle sales, retail sales, grocery sales, and oil & gas. This compares to 49.9% for the prior fiscal year.



Student Enrollment Trends

Student enrollment, as shown in the bar chart below, impacts the financial statement in two ways: revenues received from state and federal sources, and the staffing of employees.



On the revenue side, the Board receives state revenues based on the student count in grades kindergarten thru the 12th grade from the prior fiscal year and is commonly called the Minimum Foundation Program (MFP). The MFP is the State's cost of educating students in Louisiana and is based on a formula that allocates money to parish and city school systems. Decreases in K-12 students from FY 2005-06 to FY 2006-07 of 31 along with an increase in the MFP base per student of \$98.00 gave the Board a \$1.2 million increase in state revenues which was used to fund a salary increase for all employees.

On the expenditure side, the Board policy is to reduce staff if there is a significant decline in student enrollment in grades K-12 from the prior fiscal year. Since there was no significant drop in PreK-12 students from FY 2005-06 to FY 2006-07, staff increases were held to 5.3 full-time equivalent positions.

Property Tax Values

Property tax values affect the second largest source of revenues (ad valorem tax revenues) for the school system. In fiscal year 2006-07, total property tax values in DeSoto Parish increased 3.76% to \$224.9 million. Taxable and homestead values reflect a minimal increases and decreases over the past five years as shown in the chart below.

<u>Fiscal Year</u>	<u>Taxable Value</u>	<u>Homestead Value</u>	<u>Total Value</u>	<u>Increase (Decrease)</u>
2002-03	\$169,911,297	\$30,817,819	\$200,729,116	1.72%
2003-04	170,629,279	32,404,785	203,034,064	1.15%
2004-05	171,602,013	33,441,125	205,043,138	0.99%
2005-06	182,366,998	34,462,705	216,829,703	5.75%
2006-07	189,516,652	35,462,783	224,979,435	3.76%

To the Elected School Board Members and
Citizens of DeSoto Parish
November 7, 2007

Modest increases or decreases in property tax values have taken place in DeSoto Parish for the past several years. However, a significant increase in the taxable value is anticipated in FY 2007-08. The DeSoto Parish Tax Assessor conservatively estimates that \$40 million will be added to the tax rolls in 2007-08 when a 10-year property tax exemption for International Paper Company (IP) will expire. In 1997, IP expanded its manufacturing facility and was granted this tax exemption by the State of Louisiana.

Hurricanes Katrina and Rita

It has been 2 years since two Category 3 hurricanes struck the state of Louisiana. Hurricane Katrina landed in Buras, Louisiana some 350 miles southeast of DeSoto Parish on August 29, 2005 and 26 days later on September 24, 2005 Hurricane Rita struck the Louisiana Texas border some 200 miles to the south of DeSoto Parish. Both hurricanes did not cause any destruction to buildings or structures in DeSoto Parish; however, immediately after the storms hit, the School Board (1) set up temporary shelters at our schools, and (2) allowed displaced students to enroll in our school.

In FY 2005-06, the Federal Government provided financial assistance to the School Board for these costs by awarding a Federal Emergency Management Agency Disaster Relief Grant of \$46,961 for the temporary shelters, and an Emergency Aid for Displaced Students Grant of \$319,445 for providing education to displaced students. Because these grants covered 100% of the costs, the DeSoto Parish School Board expended no local funds.

In FY 2006-07, no additional expenditures were necessary as a result of these natural disasters and no additional funds were provided from the state or federal government for the DeSoto Parish School Board.

Long-term financial planning: Each year the administration adopts educational goals and objectives as a vehicle to improve student learning. Thus, human and financial resources are allocated in the budget to achieve the adopted goals, and to support educational programs and services defined by the Board's mission. It is a delicate balance of policy choices. It also represents a delicate balance between the educational needs of the students and the ability of the community to provide the necessary financial support.

The No Child Left Behind Act and the State's Accountability System have placed mandates in the area of school performance in relationship to every student's achievement. Every student is to meet the same achievement objectives by 2014 regardless of ability levels. With these mandates in place every school is expected to show *continuous academic growth in all subgroups of students. Improvement is driven through several facets of funding* as well as instructional areas such as special education, limited English proficiency, remediation, enrichment, and instructional strategies for poverty students. Never before has there been this kind of need to review achievement data in the areas of subgroups of students.

DeSoto Parish's goal is to not have a school in any level of School Improvement as defined by the State of Louisiana. A school that does not meet or make adequate progress toward its Growth Target or Subgroup Performance will enter into School Improvement. A school that enters into School Improvement will receive additional support and assistance through school analysis, school level and district assistance team planning, and individual school needs assessments. Schools meeting their growth targets and going beyond will receive reward money to be dedicated to the school improvement process.

To the Elected School Board Members and
Citizens of DeSoto Parish
November 7, 2007

The following chart reflects the status of each school to the goal defined above at the beginning of the 2006-07 school year. Additional information may be viewed at the Louisiana State Department of Education's web site <http://www.louisianaschools.net>.

Schools	School Performance Score		Growth Target				School Improvement (SI)
	Baseline 2005	Growth 2006	Actual		Expected		
Logansport Elementary	89.1	99.4	+	10.3	+	3.0	Not in SI
Logansport High	85.0	87.3	+	2.3	+	3.5	SI-1
Mansfield Elementary PreK-2	70.5	80.8	+	10.3	+	4.9	Not in SI
Mansfield Elementary 3-5	71.0	81.9	+	10.9	+	4.8	Not in SI
Mansfield Middle	58.4	67.8	+	9.4	+	6.1	Not in SI
Mansfield High	74.6	66.8	-	7.8	+	4.8	SI-1
North DeSoto Elementary	90.8	98.1	+	7.3	+	3.0	Not in SI
North DeSoto Middle	94.7	97.0	+	2.3	+	2.6	Not in SI
North DeSoto High	84.8	92.9	+	8.1	+	3.7	Not in SI
Pelican All-Saints High	71.0	68.5	-	2.5	+	4.8	SI-1
Stanley High	89.1	86.3	-	2.8	+	3.3	SI-1

Cash management policies and practices: All cash receipts of the DeSoto Parish School Board are deposited on a daily basis in interest bearing checking accounts and secured by the bank against loss. The banks pledge securities to the School Board in excess of federal deposit insurance. These securities are held by a third party bank, are released by the School Board by written request only, and must equal or exceed 110% of the balance on deposit.

All monies not immediately needed are invested in certificates of deposit (CD). The maturities of these CDs range from 90 days to 1 year, with an average maturity of 46 days. An average yield of 5.07% was achieved during the 2006-07 fiscal year as compared to 4.27% for the prior fiscal year.

Risk management: The DeSoto Parish School Board recognizes that there are certain risks or liabilities that could be costly. Risk management is merely deciding how to best deal with those risks and to manage the problem accordingly. Insurance and designated reserves are a couple of ways to deal with those risks.

The School Board lowers its potential risks by purchasing insurance policies for (1) property and casualty, (2) errors and omissions, (3) general liability, (4) automobile liability, (5) employee fidelity, and (6) worker's compensation from A+ rated (AM BEST) companies that are approved by the Commissioner of Insurance for the State of Louisiana. The total costs for such coverage for the year ended June 30, 2007 was \$380,651.

The School Board also designated \$3,066,584 (52.0%) of its General Fund – fund balance for future claims and contingencies, equipment replacement, and specific projects. The majority of the designated fund balance is set aside for future claims and contingencies (\$1,963,360) such as the payment of severance pay, workmen's compensation liabilities, and property/casualty deductibles. Another \$1,050,000 is designated for school bus purchases and

To the Elected School Board Members and
Citizens of DeSoto Parish
November 7, 2007

technology upgrades.

Pension and other post employment benefits: The School Board provides a defined benefit pension plan for its employees through two cost-sharing multiple-employer statewide plans. The School Board has no obligations in connection with employee benefits offered through these plans beyond its annual required payments to the plan.

The School Board also provides post-retirement medical and life insurance benefits for its retired employees. As of the end of the current fiscal year, there were 279 retired employees receiving group medical benefits, 339 retired employees receiving group life insurance benefits, and 67 retired employees receiving dental insurance benefits which are financed on a pay-as-you-go basis.

Additional information on the School Board's pension arrangements and post employment benefits can be found in notes 6 and 7 in the notes to the basic financial statements.

AWARDS

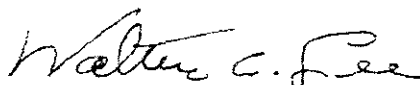
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School Board for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2006. This was the 16th consecutive year that the DeSoto Parish School Board has received this prestigious award. In order to be awarded a Certificate of Achievement, the School Board published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting Award for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2006. This was the 16th consecutive year that the DeSoto Parish School Board has received this prestigious award. The award represents a significant achievement by the School Board and reflects our commitment to the highest standards of school system financial reporting.

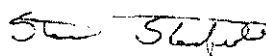
The Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. We believe that our current CAFR continues to meet the certificate requirements, and we are submitting it to both GFOA and ASBO to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Business Department. We want to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given the Superintendent and the School Board Members for their unfailing support for maintaining the highest standards of professionalism in the management of the DeSoto Parish School Board's finances.



Walter C. Lee, Superintendent
Schools



Steven Stanfield, Director of Business DeSoto Parish
Services

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Certificate of Achievement for Excellence in Financial Reporting

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

DeSoto Parish School Board
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Certificate of Excellence in Financial Reporting

Association of School Business Officials International



This Certificate of Excellence in Financial Reporting

is presented to

DESOTO PARISH SCHOOL BOARD

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2006

upon recommendation of the Association's Panel of Review which has judged that the Report substantially
conforms to principles and standards of ASBO's Certificate of Excellence Program

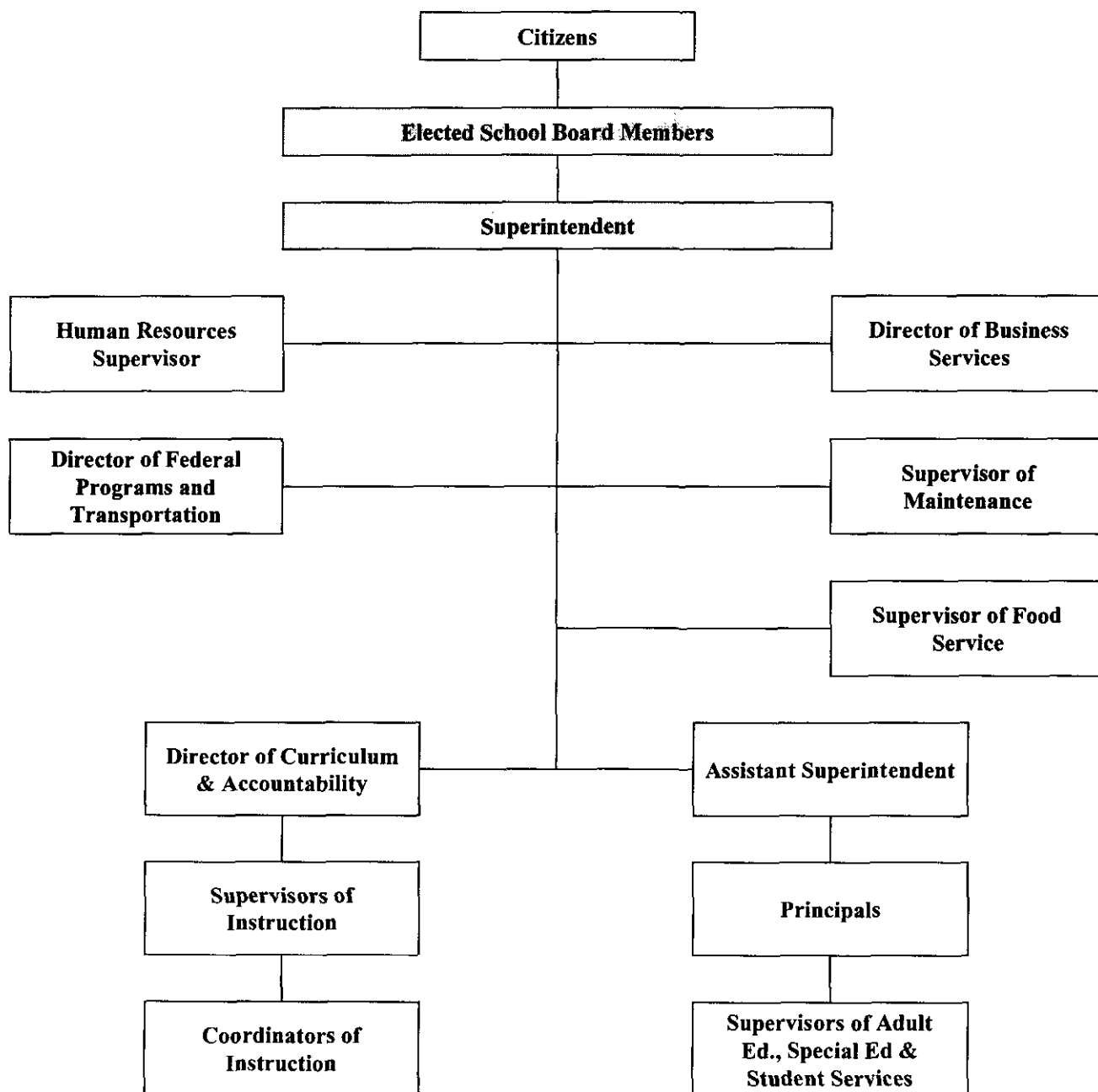
President

Executive Director

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Organizational Structure as of June 30, 2007



DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Elected School Board Members as of June 30, 2007

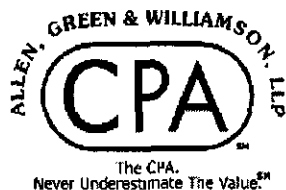
	<u>Present Term Began</u>	<u>Present Term Expires</u>	<u>Began as a Board Member</u>
President			
Dr. Robert "Neil" Henderson District No. 2	01-01-2007	12-31-2010	December 2003
Vice President			
Mr. Larry "Mark" Ross District No. 8	01-01-2007	12-31-2010	October 2003
<u>Finance Committee Chairman</u>			
Mr. Donald "Donny" Dufour District No. 4	01-01-2007	12-31-2010	January 1991
Mr. Dudley Glenn District No. 1	01-01-2007	12-31-2010	January 1991
Mr. McLawrence Fuller District No. 3	01-01-2007	12-31-2010	December 1980
Mrs. Patricia Hesser District No. 5	01-01-2007	12-31-2010	February 1994
Mr. John Neilson District No. 6	01-01-2007	12-31-2010	January 2007
Mr. Johnny Haynes District No. 7	01-01-2007	12-31-2010	January 1999
Mr. Thomas "Tommy" Craig, Jr. District No. 9	01-01-2007	12-31-2010	January 1991
Mr. Douglas "Bartholmew" Claiborne District No. 10	01-01-2007	12-31-2010	January 2007
Mr. L.J. Mayweather, Jr. District No. 11	01-01-2007	12-31-2010	January 1981

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Selected Administrative Officials as of June 30, 2007

<u>Name</u>	<u>Title</u>	<u>Years Experience</u>	<u>Began as an Administrator</u>
Mr. Walter C. Lee	Superintendent	44	07-1989
Mrs. Mary Alice Brasher	Early Childhood Coordinator	31	08-2003
Ms. Sherry Brokenberry	Supervisor of Food Service	30	10-2001
Mrs. Debra Gamble	Director of Human Resources	25	08-2004
Mr. James Grice	Supervisor of Maintenance	30	11-1985
Mrs. Margaret Gwinner	Supervisor of Special Education	21	07-2004
Mr. Darrell Hampton	Supervisor of Student Services	16	08-2005
Mrs. Paulette Jalanivich	Supervisor of Instruction	32	07-1999
Mr. Willie Jones	Director of Federal Programs and Transportation	28	07-1996
Mr. Todd Lintzen	Assistant Superintendent	20	07-1999
Mrs. Kathy Noel	Director of Curriculum & Accountability	24	07-1999
Mr. Steven Stanfield	Director of Business Services	25	01-1985
Mrs. Dorrett Williams	Supervisor of Instruction	38	07-1994

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DeSoto Parish School Board as of and for the year ended June 30, 2007, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 7, 2007, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Budgetary Comparison Schedules as listed in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying information identified in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the *basic* financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The information identified in the table of contents as the Introductory and Statistical Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 7, 2007

**DeSoto Parish School Board
Mansfield, Louisiana**

REQUIRED SUPPLEMENTAL INFORMATION

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

DeSoto Parish School Board
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2007

We offer readers of the DeSoto Parish School Board's financial statements this narrative overview and analysis of the financial activities of the DeSoto Parish School Board for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

Key financial highlights for the 2006-07 fiscal year include the following:

- Statement of Net Assets – The assets of the DeSoto Parish School Board exceeded its liabilities at the close of the most recent fiscal year by \$39,813,134 (net assets). Of this amount, \$8,162,244 (unrestricted net assets) may be used to meet the government's obligations to students and creditors.
- Statement of Activities – The total net assets of the DeSoto Parish School Board increased by \$5,939,182 for the year ended June 30, 2007. This increase can be attributed to the following: 7.0% is an increase in ad valorem tax collections, 39.4% is an increase in sales and use tax revenues, and 5.9% is an increase in MFP.
- Governmental Funds Balance Sheet – As of the close of the current fiscal year, the DeSoto Parish School Board's governmental funds reported a combined ending fund balance of \$15,679,750, a decrease of \$5,146,037 in comparison with the prior fiscal year. The majority of this fund balance is comprised of approximately (1) \$5.9 million for spending within the General Fund, (2) \$2.3 million which is reserved for the payment of outstanding bond issues within the Debt Service Funds, and (3) \$4.7 million which is designated for specific construction projects within the Capital Projects Funds.
- Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Total revenues for the year ended June 30, 2007 for the governmental funds of the DeSoto Parish School Board amounted to \$59,564,356. Approximately 81.52% of this amount is received from three major revenue sources: (1) \$22.0 million from Louisiana's State Equalization, (2) \$12.9 million from local ad valorem taxes, and (3) \$13.7 million from local sales and use taxes.
- General Fund's Ending Fund Balance – At the end of the current fiscal year, unreserved fund balance for the General Fund, a major fund, was \$5,899,760, or 14.6% of total General Fund expenditures. Approximately \$3.1 million (designated) is set aside for future claims and contingencies, equipment replacement, and specific projects, while \$2.8 million (undesignated) is available for spending at the Board's discretion.
- Capital Assets – Total capital assets (net of depreciation) were \$45,173,360 or 63.5% of the total assets. The School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- Long-Term Debt – The DeSoto Parish School Board's total debt decreased \$2,456,023 (9.7%) during the current fiscal year. The net reduction of approximately \$2.7 million in existing long term debt accounted for the majority of this decrease.

DeSoto Parish School Board
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2007

Overview of the Financial Statements

The management discussion and analysis is intended to serve as an introduction to the DeSoto Parish School Board's basic financial statements. The School Board's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

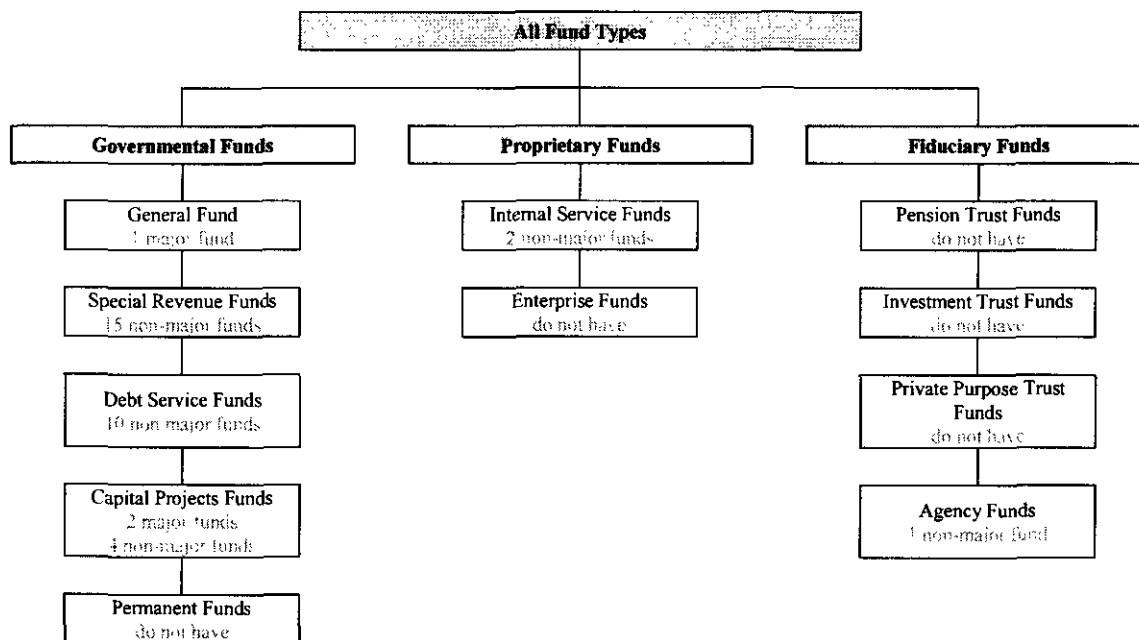
Government-wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of the DeSoto Parish School Board's finances, in a manner similar to a private-sector business.

- The Statement of Net Assets presents information on all of the DeSoto Parish School Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the DeSoto Parish School Board is improving or deteriorating.
- The Statement of Activities presents information showing how the School Board's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The DeSoto Parish School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of the funds of the DeSoto Parish School Board are categorized in one of 11 fund types. Each fund type and the number of individual funds operated by the DeSoto Parish School Board for FY 2006-07 are listed in the chart.

DeSoto Parish School Board
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2007



- Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the DeSoto Parish School Board near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School Board's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the School District No. 2 Capital Projects Fund, and the Parishwide Capital Projects Fund which are considered to be the only major funds. Data for the other 29 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

DeSoto Parish School Board
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The DeSoto Parish School Board adopts an annual appropriated budget for its General Fund and each individual Special Revenue Fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

- *Proprietary fund.* The DeSoto Parish School Board maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School Board's various functions. The School Board uses an internal service fund to account for the accumulation of resources for and the payment of employee medical and dental insurance by the School Board's risk management program. Because this service predominantly benefits governmental functions, it has been included with governmental activities in the government-wide financial statements.
- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the DeSoto Parish School Board. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the DeSoto Parish School Board's own programs. The School Board maintains one fiduciary fund named the School Activity Agency Fund.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School Board's compliance with budgets for its major funds. The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the DeSoto Parish School Board, assets exceed liabilities by \$39,813,134 at the close of the most recent fiscal year.

The largest portion of the DeSoto Parish School Board's net assets total more than \$24.8 million (62.5%) and reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The School Board uses these capital assets to provide educational services to children and adults; consequently, these assets are not available for future spending. Although the DeSoto Parish School Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

DeSoto Parish School Board
Mansfield, Louisiana
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DeSoto Parish School Board's Net Assets

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Current and other assets	\$ 25,994,018	\$ 29,758,913
Capital assets	<u>45,173,360</u>	<u>37,226,379</u>
Total assets	<u>71,167,378</u>	<u>66,985,292</u>
Current and other liabilities	8,535,027	7,836,100
Long-term liabilities	<u>22,819,217</u>	<u>25,275,240</u>
Total liabilities	<u>31,354,244</u>	<u>33,111,340</u>
Net assets:		
Invested in capital assets, net of related debt	24,897,360	22,567,461
Restricted	6,753,530	4,298,179
Unrestricted	<u>8,162,244</u>	<u>7,008,312</u>
Total net assets	<u>\$ 39,813,134</u>	<u>\$ 33,873,952</u>

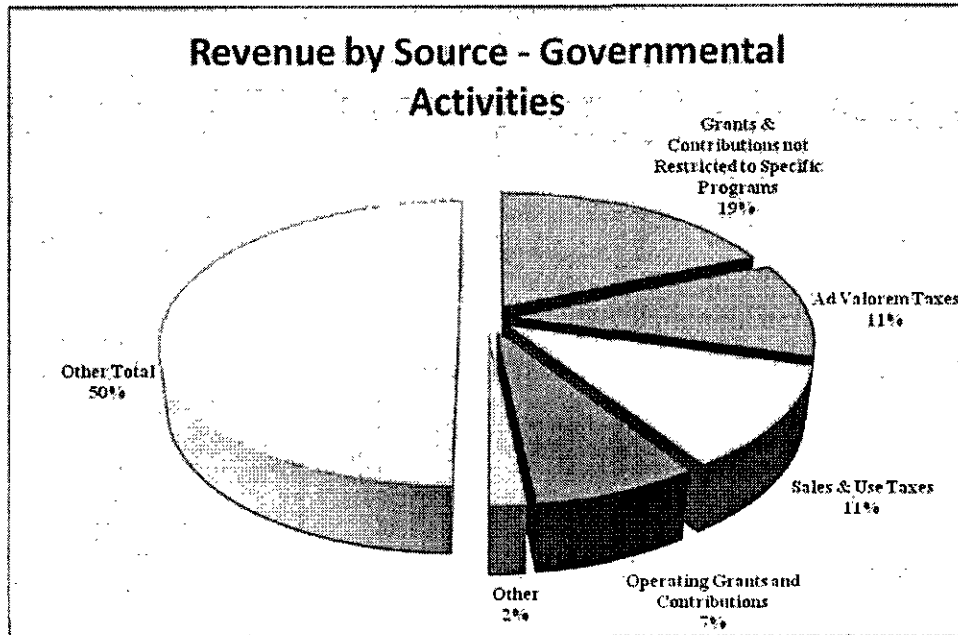
A portion of the School Board's net assets of \$6,753,530 are reported separately to show the legal constraints for the payment of outstanding long-term debt obligations and designated capital projects, and to limit the School Board from using these funds for day-to-day operations. The remaining balance of unrestricted net assets totaling \$8,162,244 may be used to meet the School Board's ongoing obligations to citizens and creditors. Governmental activities increased the DeSoto Parish School Board's net assets by \$5,939,182 which was a 39.8% gain in the net assets. Key elements of this increase are as follows:

DeSoto Parish School Board
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2007

**DeSoto Parish School Board's Changes in Net Assets
For The Years Ended**

Revenues:	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Program revenues:		
Charges for services	\$ 345,165	\$ 333,823
Operating grants and contributions	8,864,685	9,380,506
General revenues:		
Ad valorem taxes	12,858,951	12,023,090
Sales taxes	13,676,310	9,811,733
Grants and contributions not restricted to specific programs – Minimum Foundation Program	22,028,299	20,793,596
Interest on investments	1,188,346	1,128,030
Other general revenues	797,122	(783,528)
Total revenues	<u>59,758,878</u>	<u>52,687,250</u>
Expenses:		
Instruction:		
Regular programs	17,553,777	15,425,304
Special programs	13,302,543	12,588,964
Adult/continuing education	133,419	105,807
Support services:		
Pupil support services	1,644,126	1,451,426
Instructional staff support services	2,992,461	2,762,940
General administration	1,705,463	1,546,415
School administration	3,034,275	2,662,902
Business services	824,294	704,628
Plant services	4,630,717	4,379,507
Student transportation services	3,786,831	3,303,256
Central services	189,642	161,798
Non-Instructional Services:		
Food services operations	3,152,776	2,970,622
Community Services	-	45,336
Debt service -- interest on long-term obligations	869,372	948,763
Total expenses	<u>53,819,696</u>	<u>49,057,668</u>
Increase in net assets	5,939,182	3,629,582
Net assets at beginning of the year	<u>33,873,952</u>	<u>30,244,370</u>
Net assets at end of year	<u>\$ 39,813,134</u>	<u>\$ 33,873,952</u>

DeSoto Parish School Board
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2007



Revenues by Source – Governmental Activities

- Grants and Contributions Not Restricted To Specific Programs: The single largest source of revenue to the DeSoto Parish School Board is reported in the “Grants and Contributions Not Restricted to Specific Programs” and is commonly called the Minimum Foundation Program (MFP). The MFP is a distribution of approximately \$2.7 billion to 68 public school systems by the State of Louisiana for salaries and general operations. The State does not provide money for building schools or retiring debt. The distribution is based on a formula adopted by the Louisiana Board of Elementary and Secondary Education and approved by the Louisiana Legislature. The chart below lists the actual increases or decreases in the “Grants and Contributions Not Restricted to Specific Programs” for the past 3 years.

<u>Fiscal Year</u>	<u>Minimum Foundation Program (MFP)</u>	<u>State Revenue Sharing</u>	<u>Total</u>	<u>Percentage Increase or (Decrease)</u>
2004-05	\$19,646,115	\$303,992	\$19,950,107	4.7%
2005-06	20,793,596	361,081	21,154,677	6.0%
2006-07	22,028,299	307,676	22,335,975	5.6%

In FY 2006-07, the School Board received \$22,028,299 or 36.9% of its total revenues from the MFP. The General Fund received \$21.3 million while the remaining \$716,000 was deposited in the School Food Service Fund. Most of the \$1,234,703 increase was realized when the State increased the Base Per-Pupil Amount from \$3,652 to \$4,648.

DeSoto Parish School Board
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2007

- **Ad Valorem Tax Revenues:** Ad valorem tax revenues, also called property tax revenues, are the second largest source of revenue for the School Board. Ad valorem collections are based upon the number of mills (approved annually by the School Board) and the taxable assessed value (established by the DeSoto Parish Tax Assessor), subject to the limitations approved by the voters and the Louisiana Legislature. The chart below lists the ad valorem tax deposits for the past 3 years.

Fiscal	General	Nonmajor	Nonmajor	Total Ad	Increase (Decrease)	
Year	Fund	Special Revenue	Debt Service	Valorem Taxes	Amount	Percent
2004-05	\$7,242,832	\$1,184,888	\$2,818,816	\$11,246,536	\$1,353,616	13.7%
2005-06	7,641,191	1,248,813	3,133,086	12,023,090	776,554	6.9%
2006-07	8,206,984	1,346,243	3,305,724	12,858,951	835,861	7.0%

In FY 2006-07, the School Board deposited \$12,858,951 of ad valorem tax revenues into the General Fund, 7-Mill Maintenance Tax Fund, and the Debt Service Funds. This represents 21.6% of the total revenues received. The General Fund received \$565,793 more property tax revenues from the prior fiscal year while the Debt Service Funds received \$172,638 more. The increase in property tax collections in all funds can be attributed to a \$8.1 million increase in property tax values.

- **Sales and Use Tax Revenues:** Sales and use tax revenues are the third largest source of revenues for the DeSoto Parish School Board. A 2½% sales tax rate is levied upon the sale and consumption of goods and services within the parish for public school education. The chart below lists the sales and use tax revenues for the past 3 years.

Fiscal	General	School Food	Nonmajor	Capital	Total Sales	Percentage
Year	Fund	Service	Debt Service	Projects	& Use Tax	Increase or
2004-05	\$ 6,305,873	\$331,888	\$824,481	\$ 834,959	\$ 8,297,201	2.8%
2005-06	7,456,918	392,469	651,000	1,311,346	9,811,733	18.3%
2006-07	10,393,996	547,052	551,000	2,184,262	13,676,310	39.4%

In FY 2006-07, the School Board deposited \$13,676,310 of sales and use tax revenues into the General Fund, School Food Service, Debt Service Funds, and Capital Projects Funds. This represents 23.0% of the total revenues received. Total collections increased approximately 39.4% or \$3,864,577 in fiscal year 2006-07 even though the rate did not increase.

- **Operating Grants and Contributions:** Operating grants and contributions totaled approximately \$8.9 million and are the fourth largest source of revenues for the School Board. Federal grants represent approximately \$7.2 million or 79.5% of the total while state grants represent approximately \$1.9 million or 20.5%. These grants and contributions are specifically restricted to certain programs, and therefore, are netted against the costs of these programs to show a true net cost. The chart below shows the operating grants and contributions by funding source.

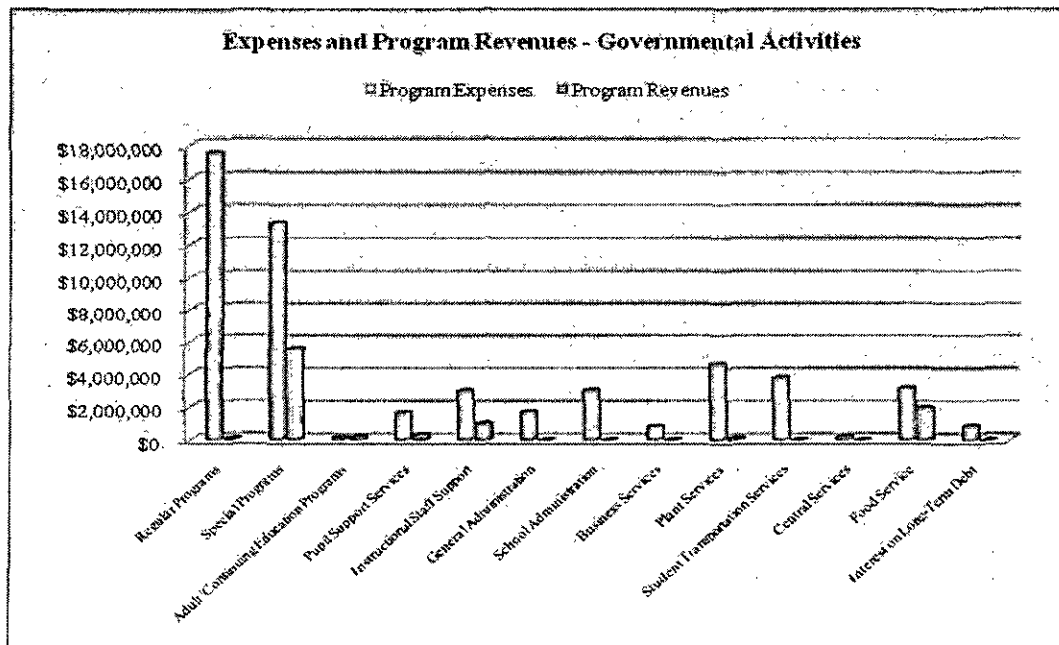
DeSoto Parish School Board
Mansfield, Louisiana
Management's Discussion and Analysis
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<u>Fiscal Year</u>	<u>School Food Service</u>	<u>Title I</u>	<u>Reading First</u>	<u>Other Operating Grants & Contributions</u>	<u>Total</u>	<u>Percentage Increase or (Decrease)</u>
2004-05	\$1,652,870	\$1,937,710	\$1,426,294	\$4,716,239	\$9,733,113	2.8%
2005-06	1,652,030	1,736,451	1,254,920	4,737,105	9,380,506	-3.6%
2006-07	1,607,347	1,967,297	1,161,142	4,128,899	8,864,685	-5.5%

In FY 2006-07, the School Board received a 5.5% decrease or \$515,821 less in operating grants and contributions. The largest portion of the decrease (\$319,445) was due to a one-time grant of \$319,445 sent by the federal government titled "Emergency Aid for Displaced Students" in FY 2005-06 after two hurricanes struck Louisiana in August and September 2005. Of the total operating grants and contributions received, \$4.6 million or 53.4% is received from School Food Service, Title I, and Reading First Programs.

Expenses and Program Revenues – Governmental Activities

Expenses are classified by functions/programs. The related revenues are comprised of specific charges for the services and operating grants and contributions received to offset the expenses for the specific program. The program revenues for the fiscal year ended 2007 directly related to these expenses totaled \$8,864,685, which, along with charges for services of \$345,165, resulted in net program expenses of \$44,609,846. These net program expenses are funded by general revenues of the School Board.



DeSoto Parish School Board
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2007

- **Instruction:** Expenses for regular programs, special programs, and adult/continuing education are considered instructional services and relate to direct expenses of providing instruction to students. Instruction services for the fiscal year 2006-07 totaled more than \$30.9 million or 57.6% of total expenditures.

<u>Fiscal Year</u>	<u>Regular Programs</u>	<u>Special Programs</u>	<u>Adult / Continuing Education</u>	<u>Instruction Total</u>	<u>Increase (Decrease)</u>
2004-05	\$15,238,864	\$12,626,214	\$115,452	\$27,980,530	9.7%
2005-06	15,425,304	12,588,964	105,807	28,120,075	0.5%
2006-07	17,553,777	13,302,543	133,419	30,989,739	10.2%

As shown in the chart above, instructional services increased approximately \$2.9 million. The increase in expenditures for FY 2006-07 can be associated with a \$2,600 pay raise given to teachers and \$1,250 pay raise given to support staff that added \$1.5 million and an 18% increase in medical insurance premiums that added \$1 million.

- **Support Services:** Support Services relate to those functions that facilitate the Instructional Services. Support services include Pupil Support, Instructional Staff Support, General Administration, School Administration, Business Services, Plant Services, Transportation Services, and Central Services. Support services for the fiscal year 2006-07 totaled approximately \$18.8 million or 34.9% of total expenditures.

<u>Fiscal Year</u>	<u>Instructional Staff Support</u>	<u>Plant Services</u>	<u>Student Transportation</u>	<u>Other</u>	<u>Total Support Services</u>	<u>Increase (Decrease)</u>
2004-05	\$2,841,233	\$3,984,059	\$3,019,097	\$6,174,888	\$16,019,277	9.7%
2005-06	2,762,940	4,379,507	3,303,256	6,527,169	16,972,872	6.0%
2006-07	2,992,461	4,630,717	3,786,831	7,397,800	18,807,809	10.8%

The chart above shows that Support Services grew 10.8% or \$1,834,937 from the prior fiscal year. The increase in expenditures for FY 2006-07 can be attributed to (1) a pay increase for all employees that cost approximately \$850,000, and (2) an increase in employer contributions for group medical insurance for active and retired employees that cost approximately \$650,000.

- **Non-Instructional Services:** Activities concerned with providing non-instructional services to students, staff or the communities are defined as Non-Instructional Services. They include Food Service Operations, Enterprise Operations, and Community Services Operations. Non-Instructional Services for the fiscal year 2006-07 totaled approximately \$3.1 million or 5.9% of total expenditures.

<u>Fiscal Year</u>	<u>Food Services</u>	<u>Community Services</u>	<u>Non-Instructional Services</u>	<u>Increase (Decrease)</u>
2004-05	\$2,995,400	\$ 0	\$2,995,400	9.7%
2005-06	2,970,622	45,336	3,015,958	0.7%
2006-07	3,152,776	0	3,152,776	4.5%

DeSoto Parish School Board
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The chart above shows that Non-Instructional Services grew 4.5% or \$136,818 from the prior fiscal year. The increase in expenditures for FY 2006-07 can be attributed to (1) a pay increase for all employees that cost approximately \$68,200, and (2) an increase in employer contributions for group medical insurance for active and retired employees that cost approximately \$66,500.

- **Debt Service – Interest on Long Term Obligations:** The remaining \$869,372 (1.6%) of total expenditures consists of interest expense on long-term obligations. Interest on Long Term Obligations decreased 8.4% or approximately \$79,391 from the prior fiscal year and will continue to decline each year until fiscal year 2024-25 when the last interest and principal payments are due unless additional debt is issued.

<u>Fiscal</u>	<u>Interest on</u>	<u>Increase</u>
<u>Year</u>	<u>Long Term</u>	<u>(Decrease)</u>
	<u>Obligations</u>	
2004-05	\$803,126	9.7%
2005-06	948,763	18.1%
2006-07	869,372	-8.4%

Financial Analysis of Governmental Funds

As noted earlier, the DeSoto Parish School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the DeSoto Parish School Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the DeSoto Parish School Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a School Board's net resources available for spending at the end of the fiscal year.

- As of the close of the current fiscal year, the DeSoto Parish School Board's governmental funds reported a combined ending fund balance of \$15,679,750, a decrease of \$5,146,037 in comparison with the prior fiscal year. The key factors of this decrease are as follows:
 - **General Fund** - The General Fund is the chief operating fund of the DeSoto Parish School Board. At the end of the current fiscal year, the unreserved fund balance of the General Fund increased \$6,144 or 0.1% from the prior fiscal year. This small increase occurred after transferring \$752,300 to the 7 Mill Maintenance Tax Fund, \$815,477 to the Non-Instructional Capital Projects Fund, and \$790,000 to the Group Medical Internal Service Fund. These transfers were one time occurrences that transpired when sales and use tax collections exceeded original budget estimates. At the end of the current fiscal year, unreserved fund balance for the General Fund was \$5,899,760, or 14.6% of total General Fund Expenditures. Approximately \$3.06 million of that fund balance is designated for future claims and contingencies, equipment replacement, and specific projects. The remaining 48.0% or \$2.83 million (undesignated) is available for spending at the Board's discretion.
 - **School District No. 2 Capital Projects Fund** - School District No. 2 Capital Projects Fund, a major fund, had a \$7,443,883 deficit in FY 2006-07. Capital projects often experience deficit spending of this nature because they are financed through selling of bonds where the money is receipted in one fiscal year and the payment extends over several fiscal years. With that being said, \$12 million in General Obligation Bonds were sold in FY 2004-05 (a) to build a new middle school in North DeSoto, (b) to add a new multipurpose room at North DeSoto Elementary PK-2, and (c) to replace the HVAC system at

DeSoto Parish School Board
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June 30, 2007

North DeSoto Elementary PK-2. Construction started in FY 2004-05 and continued in fiscal years 2005-06 and 2006-07. Completion of this major capital improvement occurred in August 2007. The remaining \$841,199 fund balance at June 30, 2007 is designated for the specific projects mentioned above.

- Parishwide Capital Project Fund – The Parishwide Capital Projects Fund, a major fund, had a \$1,291,133 increase in FY 2006-07. Funds are being collected on a pay-as-you-go basis with the main purpose (a) build a new maintenance and transportation facility and (b) to purchase new school buses. The ending fund balance of \$2,503,496 at June 30, 2007 will allow construction of a new maintenance and transportation facility to begin sometime around January 2008. Any monies not needed for this facility will be used to air condition existing school buses or purchase new buses.
- 7 Mill Maintenance Tax Fund – The 7 Mill Maintenance Tax Fund is a non-major Special Revenue Fund to assist in paying the general cost of operation and maintenance of public schools. The fund balance in the 7 Mill Maintenance Tax Fund increased \$447,132 or 48.4% in FY 2006-07 because of a fund transfer from the General Fund. The ending fund balance of \$1,371,672 at June 30, 2007 is designated for property & casualty insurance and utilities for future years.
- School Food Service Fund - The School Food Service is a non-major special revenue fund and is used to account for revenues and costs associated with providing nutritious meals to school children and employees. For the year ended June 30, 2007, the unreserved fund balance was \$1,401,658 which is an increase of \$253,482 from the previous fiscal year. This unreserved fund balance is designated for unforeseen circumstances in the school breakfast and lunch programs.
- The non-major Debt Service Funds have a total fund balance of \$2,333,147 at June 30, 2007, all of which is reserved for the payment of debt. A net increase of \$234,813 occurred during the current fiscal year as a result of the School Board's reserve policy to have at least 40%, but not greater than 75%, of next year's principal and interest payments in reserve. This percent was 57.9% at June 30, 2007.
- The remaining non-major Capital Projects Funds have a total fund balance of \$1,328,818 at June 30, 2007, all of which are designated for capital improvements. This was a net increase of \$65,142 and will be retained by the districts until enough monies are collected to complete other needed improvements.

General Fund Budgetary Highlights

The original 2006-07 fiscal year operating budget for the School Board was adopted on June 1, 2006, and the final budget amendment was adopted on June 29, 2007. Differences between the original budget and the final amended budget of the General Fund are as follows:

Revenues

- Ad valorem tax collections were based on a projected taxable assessed value of \$181,000,000 along with a 98.75% collection rate. The budget was increased \$537,900 when the actual collection rate increased to 99.3% and when the actual taxable assessed value increased to \$189,516,652.
- Sales and Use Tax revenues were expected to increase \$200,000 in FY 2006-07 based on estimates from the DeSoto Parish Sales and Use Tax Commission. The budget was increased \$3,594,000 on seven separate occasions after collections showed significant increased collections.

DeSoto Parish School Board
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2007

- State Equalization revenues (\$20.8 million) were forecasted to decrease \$292,500 at the beginning of the 2006-07 fiscal year. The staff used an estimated student rate of \$4,304.90 and an estimated October 1st student count of 4,760. When the State Department of Education changed the formula to increase the student rate to \$4,648.30 and to decrease the student count to 4,645, a budget adjustment for \$1,488,703 was submitted to the Board for approval.
- Revenues from state grants for specific programs were increased approximately \$206,883 throughout the year as competitive state grants were awarded to the school system.

Expenditures

- Expenditures for regular programs were increased approximately \$778,900 and increased in special programs approximately \$668,600 due to changes in salaries and employee benefits.
- The purchase of seven regular education school buses and one special need bus increased the budget for Student Transportation Services approximately \$566,100.

Other Financing Sources / Uses

- Four budget adjustments exceeding \$2.3 million were approved by the Board to transfer \$790,000 to the self-funded group medical and dental insurance programs, \$815,477 to the Parishwide Capital Project Fund and \$752,300 to the 7-Mill Maintenance Tax Fund.

Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other financing uses

- The original budget projected a deficit of \$476,160 and was later amended and projected to have a surplus of \$5,380. Receiving various additional revenues and reducing expenditures throughout the year helped us achieve more favorable results.

Capital Assets and Debt Administration

Capital Assets: The DeSoto Parish School Board's investment in capital assets as of June 30, 2007 amounts to \$45,173,360 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress. The table below shows the value at the end of each fiscal year.

**DeSoto Parish School Board's Capital Assets
(Net of Depreciation)**

	<u>2007</u>	<u>2006</u>
Land	\$ 1,495,645	\$ 1,495,645
Buildings, building improvements, and land improvements	29,097,469	28,061,545
Furniture, equipment, and vehicles	3,286,689	2,476,485
Construction in progress - buildings	<u>11,293,557</u>	<u>5,192,704</u>
Total	<u>\$45,173,360</u>	<u>\$37,226,379</u>

DeSoto Parish School Board
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2007

Major capital asset events during the fiscal year included the following:

- A new middle school and the renovation of an existing school in School District No. 2 added \$6,100,853 to Construction in Progress.
- Six regular education school buses, one special needs school bus, four activity buses, and one maintenance truck was purchased in FY 2006-07 totaling \$934,311.
- Depreciation expense for the year lowered all capital asset values a total of \$1,764,782.

Long-Term Debt: At the end of the current fiscal year, the DeSoto Parish School Board had total bonded debt outstanding of \$20,276,000. Of this amount, \$18,425,000 is backed by the full faith and credit of the government. The following table summarizes bonds outstanding at June 30, 2007 and 2006.

DeSoto Parish School Board's Outstanding Debt

	<u>2007</u>	<u>2006</u>
General Obligation Bonds	\$18,425,000	\$20,825,000
Sales Tax Bonds	86,000	104,000
Certificate of Indebtedness	<u>1,765,000</u>	<u>2,015,000</u>
Total	<u>\$20,276,000</u>	<u>\$22,944,000</u>

Long-term debt issues for fiscal year 2006-07 include the following:

- Total outstanding debt decreased \$2,668,000 during the fiscal year.
- The DeSoto Parish School maintains a bond rating of "BBB" from Standard & Poor's for its general obligation bonds for School Districts No. 2, 3, 4 and 5.
- Louisiana statutes limit the amount of general obligation debt the School Board may issue to 35% of its total assessed valuation. The current debt limitation for the DeSoto Parish School Board is approximately \$78.7 million, which is significantly higher than the \$20.3 outstanding at June 30, 2007.

For additional information regarding capital assets and long-term debt, see the notes to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for FY 2007-08 was presented to the Board:

- After the original budget was approved in June 2007, the State Department of Education and the Louisiana State Legislature approved pay raises for teachers and support staff. This changed increased Minimum Foundation Program (MFP) revenues approximately \$1,556,600. Instead of projecting \$22.4 million in revenues, the staff is projecting \$24.0 million in MFP revenues and adjusting expenditure for this pay raise to all employees.

DeSoto Parish School Board
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2007

- Information from the DeSoto Parish Tax Assessor shows the taxable values of property tax assessments will increase 10.3% from \$215.0 million to \$237.1 million. The land use of the parish is balanced among agriculture, mining, timber, and manufacturing. In fact, the top 10 principal taxpayers represent 63.2% of the total taxable value. Total ad valorem collections are expected to increase approximately \$890,000.
- Information from the DeSoto Parish Sales and Use Tax Commission shows that sales and use tax collections will increase from \$8,360,000 to \$9,424,000 or \$1,064,000.
- The new Middle School in North DeSoto opened its doors after 21 months of construction. One principal, 1 assistant principal, 1 school secretary, 1 librarian, 4 custodians and 1 lunchroom manager were added to the payrolls and was estimated to cost approximately \$439,900.
- After consideration of the above mentioned costs the General Fund for FY 2007-08 is projected to end the year with a reduction in fund balance of approximately \$8,099 as shown below

Revenues	\$45,697,620
Expenditures	<u>45,978,668</u>
Other Sources of Funds	272,949
Other Uses of Funds	<u>0</u>
Net Changes in Fund Balance	(\$8,099)
Beginning Fund Balance	\$5,899,758
Ending Fund Balance	\$5,891,659

Requests for Information

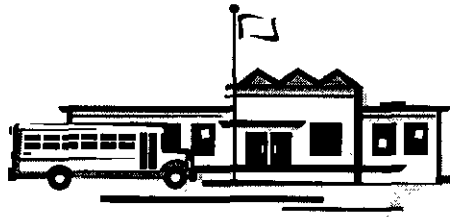
This financial report is designed to provide a general overview of the DeSoto Parish School Board's finances for all those with an interest in the School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Business Services of the DeSoto Parish School Board, 201 Crosby Street, Mansfield, LA 71052-2637, or by calling (318) 872-2836.

**DeSoto Parish School Board
Mansfield, Louisiana**

BASIC FINANCIAL STATEMENTS:

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

**DeSoto Parish School Board
Mansfield, Louisiana**



DESOTO PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS
June 30, 2007

Statement A

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 8,981,087
Investments	14,355,000
Receivables (net)	2,635,327
Inventory	22,604
Capital assets:	
Land and construction in progress	12,789,202
Capital assets, net of depreciation	<u>32,384,158</u>
TOTAL ASSETS	<u>71,167,378</u>
LIABILITIES	
Accounts, salaries and other payables	8,217,891
Unearned revenues	64,006
Interest payable	253,130
Long-term liabilities	
Due within one year	3,403,051
Due in more than one year	<u>19,416,166</u>
TOTAL LIABILITIES	<u>31,354,244</u>
NET ASSETS	
Invested in capital assets, net of related debt	24,897,360
Restricted for:	
Debt service	2,080,017
Capital projects	4,673,513
Unrestricted	<u>8,162,244</u>
TOTAL NET ASSETS	<u>\$ 39,813,134</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DESOTO PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
<i>Governmental activities:</i>					
Instruction:					
Regular programs	\$ 17,553,777	\$ 0	\$ 72,018	\$ 0	(17,481,759)
Special programs	13,302,543		5,557,618		(7,744,925)
Adult/continuing education programs	133,419		197,148		63,729
Support services:					
Pupil support services	1,644,126		312,244		(1,331,882)
Instructional staff support	2,992,461		996,173		(1,996,288)
General administration	1,705,463		5,710		(1,699,753)
School administration	3,034,275		0		(3,034,275)
Business services	824,294		0		(824,294)
Plant services	4,630,717		112,209		(4,518,508)
Student transportation services	3,786,831		4,218		(3,782,613)
Central services	189,642		0		(189,642)
Food services	3,152,776	345,165	1,607,347		(1,200,264)
Interest on long-term debt	869,372	0	0		(869,372)
 Total Governmental Activities	 53,819,696	 345,165	 8,864,685	 0	 (44,609,846)
 General revenues:					
Taxes:					
Ad valorem taxes levied for general purposes					9,553,227
Ad valorem taxes levied for debt service purposes					3,305,724
Sales taxes levied for capital improvements					2,184,262
Sales taxes levied for salaries, benefits and general purposes					11,492,048
Grants and contributions not restricted to specific programs					
State revenue sharing					307,676
Minimum Foundation Program					22,028,299
Interest and investment earnings					1,188,346
Miscellaneous					489,446
 Total general revenues					 50,549,028
 Changes in net assets					 5,939,182
 Net assets - beginning					 33,873,952
 Net assets - ending					 \$ 39,813,134

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**DeSoto Parish School Board
Mansfield, Louisiana**

**BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)**

DESOTO PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2007

	GENERAL	SCHOOL DISTRICT NO. 2 CAPITAL PROJECT	PARISHWIDE CAPITAL PROJECT
ASSETS			
Cash and cash equivalents	\$ 818,601	\$ 1,707,554	\$ 1,038,937
Investments	8,200,000	0	600,000
Receivables	1,160,448	63,851	61,524
Interfund receivables	493,155	0	815,477
Inventory	0	0	0
TOTAL ASSETS	10,672,204	1,771,405	2,515,938
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	3,956,967	930,206	12,442
Interfund payables	815,477	0	0
Deferred revenues	0	0	0
Total Liabilities	4,772,444	930,206	12,442
Fund Balances:			
Reserved for:			
Inventory	0	0	0
Debt Service	0	0	0
Unreserved:			
Designated for future claims and contingencies	1,963,360	0	0
Designated for equipment replacement	1,050,000	0	0
Designated for specific projects	53,224	0	0
Designated for specific projects, reported in capital project funds	0	841,199	2,503,496
Undesignated	2,833,176	0	0
Unreserved, reported in nonmajor Special Revenue	0	0	0
Total Fund Balances	5,899,760	841,199	2,503,496
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,672,204	\$ 1,771,405	\$ 2,515,938

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

OTHER			
GOVERNMENTAL		TOTAL	
\$ 2,030,346	\$	5,595,438	
4,755,000		13,555,000	
1,344,199		2,630,022	
0		1,308,632	
<u>22,604</u>		<u>22,604</u>	
 8,152,149		 23,111,696	
1,159,693		6,059,308	
493,155		1,308,632	
<u>64,006</u>		<u>64,006</u>	
 1,716,854		 7,431,946	
22,604		22,604	
2,333,147		2,333,147	
0		1,963,360	
0		1,050,000	
0		53,224	
1,328,818		4,673,513	
0		2,833,176	
<u>2,750,726</u>		<u>2,750,726</u>	
 6,435,295		 15,679,750	
 \$ 8,152,149	\$	 23,111,696	

DESOTO PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2007**

Statement D

Total fund balances - governmental funds

\$ 15,679,750

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 74,507,467	
Depreciation expense to date	<u>(29,334,107)</u>	
		45,173,360

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Assets.

Balances at June 30, 2007 are:

Long-term liabilities		
Compensated absences payable	(2,543,217)	
General obligation bonds payable	(18,425,000)	
Revenue bonds payable	(86,000)	
Certificate of indebtedness payable	(1,765,000)	
Interest payable	<u>(253,130)</u>	
		(23,072,347)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities.

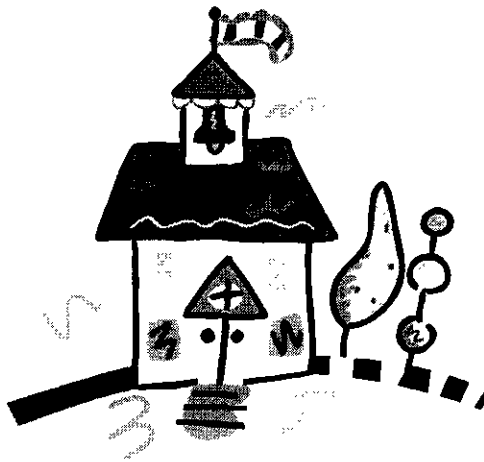
2,032,371

Net Assets - Governmental Activities

\$ 39,813,134

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**DeSoto Parish School Board
Mansfield, Louisiana**



DESOTO PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2007

	GENERAL	SCHOOL DISTRICT NO. 2 CAPITAL PROJECT	PARISHWIDE CAPITAL PROJECT
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 8,206,984	\$ 0	\$ 0
Sales and use	10,393,996	708,521	683,815
Interest earnings	485,938	220,761	54,096
Food services	0	0	0
Other	489,815	0	0
State sources:			
Equalization	21,312,379	0	0
Other	1,877,088	0	0
Federal sources	84,457	0	0
 Total Revenues	<u>42,850,657</u>	<u>929,282</u>	<u>737,911</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	16,172,176	0	0
Special programs	9,279,210	0	0
Adult/continuing education programs	55,346	0	0
Support services:			
Pupil support services	1,312,527	0	0
Instructional staff support	2,050,351	0	0
General administration	767,841	23,741	157,168
School administration	2,927,541	0	0
Business services	793,428	1,124	367
Plant services	2,938,779	0	0
Student transportation services	3,379,328	0	0
Central services	180,804	0	0
Food services	0	0	0
Capital outlay	629,405	8,348,300	104,720
Debt service:			
Principal retirement	0	0	0
Interest and bank charges	0	0	0
 Total Expenditures	<u>40,486,736</u>	<u>8,373,165</u>	<u>262,255</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 2,363,921</u>	<u>\$ (7,443,883)</u>	<u>\$ 475,656</u>

Statement E

OTHER	
GOVERNMENTAL	TOTAL

\$	4,651,967	\$	12,858,951
	1,889,978		13,676,310
	232,660		993,455
	345,165		345,165
	0		489,815
	715,920		22,028,299
	53,038		1,930,126
	<u>7,157,778</u>		<u>7,242,235</u>
	<u>15,046,506</u>		<u>59,564,356</u>

	0		16,172,176
	3,935,899		13,215,109
	61,786		117,132
	299,198		1,611,725
	892,580		2,942,931
	731,837		1,680,587
	0		2,927,541
	660		795,579
	1,629,009		4,567,788
	50,574		3,429,902
	0		180,804
	3,006,551		3,006,551
	629,706		9,712,131
	2,668,000		2,668,000
	<u>892,437</u>		<u>892,437</u>
	<u>14,798,237</u>		<u>63,920,393</u>

\$	248,269	\$	(4,356,037)
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(CONTINUED)

DESOTO PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2007

	GENERAL	SCHOOL DISTRICT NO. 2 CAPITAL PROJECT	PARISHWIDE CAPITAL PROJECT
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 0	\$ 0	\$ 815,477
Transfers out	<u>(2,357,777)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(2,357,777)</u>	<u>0</u>	<u>815,477</u>
Net Change in Fund Balances	6,144	(7,443,883)	1,291,133
FUND BALANCES - BEGINNING	<u>5,893,616</u>	<u>8,285,082</u>	<u>1,212,363</u>
FUND BALANCES - ENDING	<u>\$ 5,899,760</u>	<u>\$ 841,199</u>	<u>\$ 2,503,496</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement E

OTHER			
GOVERNMENTAL		TOTAL	
\$	752,300	\$	1,567,777
	<u>0</u>		<u>(2,357,777)</u>
	752,300		(790,000)
	1,000,569		(5,146,037)
	<u>5,434,726</u>		<u>20,825,787</u>
\$	<u>6,435,295</u>	\$	<u>15,679,750</u>

(CONCLUDED)

DESOTO PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2007**

Statement F

Total net change in fund balances - governmental funds \$ (5,146,037)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense for assets over the capitalization threshold. This is the amount by which depreciation exceeds capital outlays in the period:

Capital asset disposals, net	(369)	
Capital outlay additions	9,712,131	
Depreciation expense	<u>(1,764,782)</u>	7,946,980

The issuance of long-term debt provides financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Repayment of bond principal	2,668,000
-----------------------------	-----------

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

23,065

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$380,028) exceeded the amounts used \$168,051 by \$211,977.

(211,977)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.

659,151

Change in net assets of governmental activities

\$ 5,939,182

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DESOTO PARISH SCHOOL BOARD
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Statement of Net Assets
June 30, 2007

Statement G

ASSETS

Current assets:

Cash and cash equivalents	\$ 3,385,649
Investments	800,000
Receivables	<u>5,305</u>

TOTAL CURRENT ASSETS	<u>4,190,954</u>
----------------------	------------------

LIABILITIES

Current liabilities:

Medical claims payable	2,102,039
Dental claims payable	<u>56,544</u>

TOTAL CURRENT LIABILITIES	<u>2,158,583</u>
---------------------------	------------------

NET ASSETS

Unrestricted	<u>2,032,371</u>
--------------	------------------

TOTAL NET ASSETS	<u>\$ 2,032,371</u>
------------------	---------------------

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTREGRAL PART OF THIS STATEMENT.

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

Statement of Revenues, Expenses,
and Changes in Fund Net Assets
For The Year Ended June 30, 2007

Statement H

OPERATING REVENUE

Medical premiums	\$ 8,813,677
Dental premiums	<u>275,558</u>

Total operating revenues	<u>9,089,235</u>
--------------------------	------------------

OPERATING EXPENSES

Claims	8,629,747
Administration	244,820
Insurance	<u>540,408</u>

Total operating expenses	<u>9,414,975</u>
--------------------------	------------------

Operating income (loss)	(325,740)
-------------------------	-----------

NONOPERATING REVENUES

Earnings on investments	<u>194,891</u>
-------------------------	----------------

Income (loss) before transfers	(130,849)
--------------------------------	-----------

Transfers in	<u>790,000</u>
--------------	----------------

Change in Net Assets	659,151
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NET ASSETS - BEGINNING	<u>1,373,220</u>
------------------------	------------------

NET ASSETS - ENDING	<u>\$ 2,032,371</u>
---------------------	---------------------

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DESOTO PARISH SCHOOL BOARD
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2007

Statement I

CASH FLOWS FROM OPERATING ACTIVITIES	
Medical and dental premiums received	\$ 10,319,958
Administrative fees paid	(244,820)
Premiums paid	(540,408)
Claims paid	<u>(8,408,159)</u>
Net cash provided (used) by operating activities	1,126,571
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	<u>790,000</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Earnings on investments	194,891
Proceeds from investments	<u>100,000</u>
Net cash provided (used) for investing activities	<u>294,891</u>
Net increase (decrease) in cash and cash equivalents	2,211,462
CASH AND CASH EQUIVALENTS - BEGINNING	<u>1,174,187</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>3,385,649</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	(325,740)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) decrease in receivables	241,772
(Increase) decrease in interfund receivables	988,951
Increase (decrease) in claims payable	<u>221,588</u>
Net cash provided (used) for operating activities	<u>\$ 1,126,571</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

DESOTO PARISH SCHOOL BOARD
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2007

Statement J

	<u>AGENCY FUND</u>
ASSETS	
Cash and cash equivalents	\$ 349,903
Investments	<u>25,000</u>
Total assets	<u>374,903</u>
LIABILITIES	
Deposits due others	<u>374,903</u>
Total liabilities	<u>\$ 374,903</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DeSoto Parish School Board
Notes to the Basic Financial Statements

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DeSoto Parish School Board
Notes to the Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: The accompanying financial statements of the DeSoto Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY: The DeSoto Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within DeSoto Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of eleven members who are elected from eleven districts for concurrent terms of four years.

The School Board operates twelve schools within the parish with a total enrollment of approximately 5,016 pupils. In conjunction with the regular educational programs, some of these schools offer pre-kindergarten, special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

The School Board is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS: The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the School Board are classified into three categories: governmental, proprietary, and fiduciary.

Governmental Funds: Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

General Fund – the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

School District No. 2 – a capital project fund. It accounts for financial resources to acquire, construct, and improve public school facilities in School District No. 2.

Parishwide – a capital project fund. It accounts for financial resources to acquire, construct, and improve public school facilities in the parish.

DeSoto Parish School Board
Notes to the Basic Financial Statements

Proprietary Funds: Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on measurement, which, together with the maintenance of equity is an important financial indicator. The School Board reports the following proprietary fund:

Internal Service Fund – used to account for medical and dental insurance for employees of the School Board on a cost reimbursement basis.

Fiduciary Funds: Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments.

Agency Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

School Activities Fund – accounts for assets held by the School Board as an agent for the individual schools and school organizations.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING:

Government-Wide Financial Statements (GWFS): The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as necessary.

Internal activities: The employees' medical and dental insurance internal service funds provide services to the governmental funds. Accordingly, the employees' medical and dental insurance funds activity was rolled up into the governmental activities. Pursuant to GASB Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments, as much as possible, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion. The interfund services provided and used are not eliminated in the process of consolidation.

Program revenues: Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

DeSoto Parish School Board
Notes to the Basic Financial Statements

Allocation of indirect expenses: The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

Fund Financial Statements (FFS):

Governmental Funds: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt which is recognized when due. Compensated absences and claims and judgments are reported in a governmental fund only if the claims are due and payable.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable and are remitted on a monthly basis to the School Board.

Sales and use taxes are recorded in the month collected by the vendor.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Unpaid salaries for nine-month employees who are paid over twelve months are accrued at June 30. Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other financing sources (uses) transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

DeSoto Parish School Board
Notes to the Basic Financial Statements

Proprietary Fund: Proprietary fund is accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet.

Operating revenues and expenses: Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Fund: The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

D. BUDGETS:

General Budget Policies State statute requires budgets to be adopted for the general fund and all special revenue funds. In May the Superintendent submits to the Board proposed annual budgets for the general fund and all special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain citizens' comments. The operating budgets include proposed expenditures and the means of financing them. Appropriations (unexpected budget balances) lapse at year end.

Formal budget integration (within accounting records) is employed as a management control device. All budgets are controlled at the departmental or project level. School Board policy prescribes that the level of budgetary control is at the fund level for all funds.

Encumbrances Encumbrance accounting is employed in governmental funds. Appropriations lapse at year end.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. The effect of budget amendments during the year for the general fund was to increase net revenues by \$3,950,722 and increase net expenditures by \$696,846.

E. CASH AND CASH EQUIVALENTS: Cash includes amounts in demand deposits, interest-bearing demand deposits and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. INVESTMENTS: Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

DeSoto Parish School Board
Notes to the Basic Financial Statements

The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. Money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less are reported at amortized cost.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

H. ELIMINATION AND RECLASSIFICATION: In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

I. INVENTORIES: Inventories of the governmental fund type are accounted for using the consumption method where expenditures are recognized as inventory is used.

Inventories consist of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues and expenditures by the School Food Service Fund when consumed. Any material commodities on hand at year-end are recorded as inventory. All purchased inventory items are valued at cost (first-in, first-out) using the consumption method and commodities are assigned values based on information provided by the United States Department of Agriculture.

J. CAPITAL ASSETS: Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. The School Board maintains a threshold level of the following: \$1 (land and CIP), \$5,000 (equipment and vehicles), \$25,000 (land improvements), and \$50,000 (building and building improvements) for capitalizing capital assets. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight line depreciation is used based on the following estimated useful lives:

Buildings	25-45 years
Land improvements	10-25 years
Building improvements	20 years
Furniture and equipment	5-15 years
Vehicles	5-8 years

DeSoto Parish School Board
Notes to the Basic Financial Statements

K. DEFERRED REVENUES: The School Board reports deferred revenues on its statement of net assets and fund balance sheet. These deferred revenues arise when the School Board receives grant funds for expenditure-driven grants before the qualifying expenditure has occurred. In subsequent periods when the expenditure occurs, the liability for deferred revenue is removed and the revenue is recognized.

L. COMPENSATED ABSENCES: Compensated absences include salary related payments. All School Board employees earn from five to twenty days of vacation leave each year depending upon length of service. Unused vacation leave as of June 30 can be accumulated and carried forward to the succeeding year, up to a maximum of sixty days.

All School Board employees, except eleven and twelve-month employees, earn ten days of sick leave each year. Twelve-month School Board employees earn twelve days of sick leave each year and eleven-month employees earn eleven days per year. Non-twelve-month employees may use two days of sick leave each year for personal business.

Sick leave may be accumulated without limitation. Upon retirement or death, a maximum of twenty-five days accumulated sick leave may be paid to the employee or the employee's estate at the employee's current rate of pay. Under the various pension funds, the total accumulated sick leave, including the twenty-five days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Teachers' Retirement System of Louisiana and for sick leave earned under the Louisiana School Employees' Retirement System, all unpaid sick leave, which excludes the twenty-five days paid, is used in the retirement benefit computation as earned service.

In the FFS, the matured liability for compensated absences, which includes salary and salary related payments, is reported in the fund. The total liability is reported in the GWFS.

M. LONG-TERM LIABILITIES: Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures in the FFS and are capitalized and amortized in the GWFS. Deferred gains on refunding are capitalized and amortized over the life of refunding in the GWFS.

N. RESTRICTED NET ASSETS: For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or,

Imposed by law through constitutional provisions or enabling legislation. Restricted net assets reported in the statement of net assets are restricted through enabling legislation.

O. FUND EQUITY OF FUND FINANCIAL STATEMENTS:

Reserves: Use of the term "reserve" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance is not available to appropriate for expenditure or is legally segregated for a specific future use. The reserve for debt service represents the portion of fund balance that has been reserved in the debt service funds for future payment of principal and interest on bonded debt.

**DeSoto Parish School Board
Notes to the Basic Financial Statements**

Designations: Use of the term "designated" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance has been segregated to indicate tentative plans for future financial resource use. Designated fund balances may be changed and are subject to subsequent authorization before expenditures can be made. The nature and purpose of these designations are explained as follows:

Designated for Future Claims and Contingencies

This amount represents a portion of fund balance that has been designated to fund possible losses from lawsuits, self-insurance liability, and other risks.

Designated for Equipment Replacement

This amount has been accumulated to fund the replacement of capital assets.

Designated for Specific Projects

This amount has been designated to fund future capital projects including acquiring lands for building sites and playgrounds; purchasing, erecting, and improving school buildings and other facilities; and acquiring equipment and furnishings.

P. INTERFUND ACTIVITIES: Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Q. SALES TAXES: On March 25, 1968, with no expiration date, the voters of DeSoto Parish approved a one cent sales and use tax to be used for salaries of teachers and other personnel and for the operation of public elementary and secondary schools.

On May 3, 1986, with no expiration date, the voters of DeSoto Parish approved a one-half cent sales and use tax to be used to supplement salaries of School Board employees.

On May 3, 1986, with a period of 25 years expiring June 30, 2011, the voters of DeSoto Parish approved a one-half cent sales and use tax to be used for the purpose of air conditioning school buildings, repairing school buildings, and making capital improvements to school buildings and related facilities. The proceeds of this tax may be used to repay bonds issued to pay the cost of air conditioning and capital improvements.

On April 12, 2001, with no expiration date, the voters of DeSoto Parish approved a one-half cent sales and use tax to be used to supplement salaries of teachers and other School Board employees and for the operation of public schools in DeSoto Parish.

R. USE OF ESTIMATES: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DeSoto Parish School Board
Notes to the Basic Financial Statements

NOTE 2 - LEVIED TAXES: The School Board levies taxes on real and business personal property located within DeSoto Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the DeSoto Parish Tax Assessor and approved by the State Tax Commission. The DeSoto Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Assessment date	January 1, 2006
Levy date	September 23, 2006
Tax bills mailed	October 27, 2006
Due date	December 31, 2006
Lien date	January 1, 2007
Tax sale date, 2006 delinquent property	May 2007

Assessed values are established by the DeSoto Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2005. Total assessed value was \$224,979,435 in calendar year 2006. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$35,462,783 of the assessed value in calendar year 2006.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

The tax roll is prepared by the tax assessor and approved by the State Tax Commission in November of each year. The amount of 2006 property taxes to be collected occurs in December 2006 and January and February 2007. All property taxes are recorded in the general, special revenue, and debt service funds. The School Board considers the lien date (January 1, 2007) as the date an enforceable legal claim occurs for 2006 property taxes. Property tax revenue is recognized in the period for which the taxes are levied (budgeted). Accordingly, the 2006 property taxes are budgeted in the 2006-07 fiscal year of the School Board.

Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

DeSoto Parish School Board
Notes to the Basic Financial Statements

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

<u>Parish-wide Taxes</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Constitutional—parishwide	4.56	4.56	Not applicable
Renewable—parishwide	44.00	44.99	2016
Debt Service—separate school districts			
District No. 1—Logansport	24.00	23.00	2008
District No. 2—North DeSoto	22.00	20.75	2016
District No. 3—Stanley	23.00	20.50	2013
District No. 4—Mansfield	10.25	12.00	2008
District No. 5—Pelican	34.00	34.00	2008

NOTE 3 – DEPOSITS AND INVESTMENTS:

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk: At year-end, the School Board's carrying amount of deposits was \$23,710,990 (including certificates of deposits of \$14,380,000) and the bank balance was \$24,685,141. These deposits are reported as follows: *Statement A-cash and cash equivalents*, \$8,981,087; *Statement A-investments*, \$14,355,000; *Statement J-cash and cash equivalents*, \$349,903, and *Statement J-investments*, \$25,000. Of the bank balance, \$301,819 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand. The School Board's policy regarding custodial credit risk is that funds on deposit shall be collateralized an amount at all times equal to 100% by pledged "approved securities" as specified by La. R.S 39:1225 as amended to adequately protect the funds of the School Board.

NOTE 4 – RECEIVABLES: The receivables at June 30, 2007 are as follows:

Class of Receivables	General	School District No. 2	Parishwide	Other Governmental	Total Governmental	Internal Service Fund
Taxes:						
Ad Valorem	\$ 5,812	\$ -	\$ -	\$ 3,095	\$ 8,907	\$ -
Sales Tax	898,522	63,851	59,113	160,780	1,182,266	-
Intergovernmental - grants:						
Federal	7,811	-	-	1,135,792	1,143,603	-
State	191,432	-	-	-	191,432	-
Other	56,871	-	2,411	44,532	103,814	5,305
Total	<u>\$1,160,448</u>	<u>\$ 63,851</u>	<u>\$ 61,524</u>	<u>\$ 1,344,199</u>	<u>\$ 2,630,022</u>	<u>\$ 5,305</u>

DeSoto Parish School Board
Notes to the Basic Financial Statements

No allowance for doubtful accounts has been established as the School Board expects to collect the full balance.

NOTE 5 - CAPITAL ASSETS: Capital assets balances and activity for the year ended June 30, 2007, are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Nondepreciable capital assets:				
Land	\$ 1,495,645	\$ -	\$ -	\$ 1,495,645
Construction in progress	5,192,704	6,421,103	320,250	11,293,557
Total nondepreciable capital assets	6,688,349	6,421,103	320,250	12,789,202
Depreciable Capital Assets:				
Buildings	50,511,421	1,267,383	-	51,778,804
Land improvements	2,663,269	1,052,798	-	3,716,067
Furniture and equipment	1,280,916	356,786	13,394	1,624,308
Vehicles	3,664,775	934,311	-	4,599,086
Total depreciable capital assets	58,120,381	3,611,278	13,394	61,718,265
Less accumulated depreciation				
Buildings & improvements	25,113,144	1,284,258	-	26,397,402
Furniture and equipment	830,130	151,505	13,025	968,610
Vehicles	1,639,076	329,019	-	1,968,095
Total accumulated depreciation	27,582,350	1,764,782	13,025	29,334,107
Governmental activities				
Capital assets, net	\$ 37,226,380	\$ 8,267,599	\$ 320,619	\$ 45,173,360

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$1,210,631
Vocational programs	6,765
Other instructional programs	2,418
Other special programs	7,846
Instructional staff	20,233
Pupil support programs	438
School administration	55,977
Business services	4,405
Maintenance of plant	27,138
Pupil transportation	306,200
Food service operations	122,731
Total depreciation expense	<u>\$1,764,782</u>

NOTE 6 - RETIREMENT SYSTEMS:

Plan description: Substantially all School Board employees participate in either the Teachers' Retirement System of Louisiana (TRSL) or the Louisiana School Employees' Retirement System (LSERS), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System of Louisiana is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan B. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana (TRSL); other employees, such as custodial

DeSoto Parish School Board
Notes to the Basic Financial Statements

personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Regular Plan, normal retirement is at age sixty with ten years of service, or at any age with twenty years of service. The formula for annual maximum retirement benefits is generally two percent (with less than twenty-five years of service) or 2.5 percent (with twenty-five or more years of service) times the years of creditable service times the average salary of the thirty-six highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Plan B, normal retirement is generally at any age with 30 or more years of creditable service, at age fifty-five with at least twenty-five years of creditable service and at age sixty with at least ten years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the thirty-six highest successive months plus \$24 per year of service.

Employees participating in the Louisiana School Employees' Retirement System are eligible for normal retirement after thirty years of service, or after twenty-five years of service at age fifty-five or after ten years of service at age sixty. The maximum retirement allowance is computed at 2.5 percent times the highest thirty-six months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Both TRSL and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, Louisiana 70804-9123
(225) 925-6446

Louisiana School Employees' Retirement System
Post Office Box 44516
Baton Rouge, Louisiana 70804
(225) 925-6484

Funding Policy: Each system is administered and controlled at the state level, by a separate board of trustees with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan B, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the retirement system by the state of Louisiana.

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2007, are as follows:

	<u>Employee</u>	<u>Employer</u>
Teachers' Retirement System of Louisiana:		
Regular	8.0%	15.8%
Louisiana School Employees' Retirement System	7.5%	19.6%

DeSoto Parish School Board
Notes to the Basic Financial Statements

Total covered payroll of the School Board for TRSL - Regular Plan and LSERS for the year ended June 30, 2007, amounted to \$23,088,417 and \$2,955,112 respectively. Employer contributions for the year ended June 30, 2007, and each of the two preceding years are as follows:

	<u>TRSL</u>	<u>LSERS</u>
<u>Fiscal Year Ended</u>		
June 30, 2005	\$3,240,210	\$398,133
June 30, 2006	3,391,645	488,306
June 30, 2007	3,660,305	594,674

Employer contributions totaled 100% of annual actuarially required contributions.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS: In accordance with state statutes, the School Board provides certain continuing medical care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. The School Board recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. The cost of retiree benefits included in these expenditures was \$1,694,052, for 279 retirees for group medical and \$5,884 for 339 retirees for group life insurance. This expenditure is recorded in the general fund and the school food service fund.

NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES: The payables at June 30, 2007, are as follows:

	School District No.		Other		Total	Internal Service
	General	2	Parishwide	Governmental	Governmental	Fund
Salaries	\$ 2,818,717	\$ 2,722	\$ -	\$ 658,235	\$ 3,479,674	\$ -
Accounts	933,649	927,484	12,442	501,458	2,375,033	-
Claims	204,601	-	-	-	204,601	2,158,583
Total	<u>\$ 3,956,967</u>	<u>\$ 930,206</u>	<u>\$ 12,442</u>	<u>\$ 1,159,693</u>	<u>\$ 6,059,308</u>	<u>\$ 2,158,583</u>

NOTE 9 - COMPENSATED ABSENCES: At June 30, 2007, employees of the School Board have accumulated and vested \$2,543,217 of employee leave benefits. These benefits were described in Note 1 (L) and were computed in accordance with GASB Codification Section C60.

NOTE 10 - AGENCY FUND DEPOSITS DUE OTHERS (FFS LEVEL ONLY): A summary of changes in agency fund deposits due others follows:

	Balance at Beginning of year	Additions	Deletions	Balance at Ending of year
School Activities	<u>\$ 359,276</u>	<u>\$ 1,269,344</u>	<u>\$ 1,253,717</u>	<u>\$ 374,903</u>

DeSoto Parish School Board
Notes to the Basic Financial Statements

NOTE 11 - LONG-TERM LIABILITIES: The following is a summary of the long-term liabilities transactions and balances for the year ended June 30, 2007:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities					
Bonded debt and sales tax bonds	\$ 22,944,000	\$ -	\$ (2,668,000)	\$ 20,276,000	\$ 3,235,000
Other Liabilities:					
Compensated absences	2,331,240	380,028	(168,051)	2,543,217	168,051
Long-term debt	<u>\$ 25,275,240</u>	<u>\$ 380,028</u>	<u>\$ (2,836,051)</u>	<u>\$ 22,819,217</u>	<u>\$ 3,403,051</u>

Payments on the general obligation bonds payable that pertain to the School Board's governmental activities are made by the debt service funds. The compensated absences liability attributable to the governmental activities will be liquidated by several of the School Board's governmental funds. In the past, 97% was paid by the general fund and the remaining 3% by other governmental funds.

Long term debt at June 30, 2007 is comprised of the following issues:

	Original Amount	Interest Rates	Final Payment	Interest to Maturity	Principal Outstanding
DISTRICT 1					
September 05, 2002	\$2,670,000	3.31	2009	\$ 47,995	\$ 960,000
DISTRICT 2					
October 8, 1996	1,330,000	4.15-5.4	2007	4,724	175,000
December 1, 2004	7,000,000	4.0-4.55	2024	3,137,377	6,980,000
March 1, 2005	5,000,000	4.0-4.5	2025	2,382,529	5,000,000
November 12, 0998					
Certificates of Indebtedness	2,795,000	3.35	2012	184,669	1,765,000
December 1, 2005	1,650,000	4.11	2017	390,200	1,610,000
DISTRICT 3					
July 1, 1994	1,785,000	4.5-5.85	2008	24,717	415,000
September 1, 1994	300,000	5.3-9.0	2013	34,324	155,000
December 16, 1998					
Sales Tax Bonds	191,000	4.5-7.2	2010	7,965	86,000
DISTRICT 4					
July 9, 2003	4,205,000	2.55	2008	71,018	2,750,000
DISTRICT 5					
September 5, 2002	995,000	3.310	2008	13,073	380,000
Total				<u>\$ 6,298,591</u>	<u>\$20,276,000</u>

DeSoto Parish School Board
Notes to the Basic Financial Statements

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 2007, the School Board had accumulated \$2,333,147 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending June 30,	Bonds Principal Payments	Interest Payments	Total
2008	\$ 3,235,000	\$ 795,286	\$ 4,030,286
2009	3,246,000	681,361	3,927,361
2010	962,000	594,941	1,556,941
2011	1,008,000	550,666	1,558,666
2012	1,040,000	506,491	1,546,491
2013-2017	4,400,000	1,920,712	6,320,712
2018-2022	4,045,000	1,063,263	5,108,263
2023 and thereafter	2,340,000	185,871	2,525,871
Total	<u>\$ 20,276,000</u>	<u>\$ 6,298,591</u>	<u>\$ 26,574,591</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2007, the statutory limit is \$78,742,802 and outstanding net bonded debt totals \$16,091,853.

NOTE 12 - INTERFUND ASSETS/ LIABILITIES (FFS LEVEL ONLY): Assets/Liabilities at June 30, 2007 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Other governmental	\$ 493,155
Parishwide Capital Projects	General	815,477
Total		<u>\$ 1,308,632</u>

The purpose of the interfund assets/liabilities was to cover current-year expenditures on cost reimbursement programs until the reimbursement transactions are processed and to cover construction expenditures.

NOTE 13 - INTERFUND TRANSFERS (FFS LEVEL ONLY): Transfers for the year ended June 30, 2007, were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfers Out</u>
General	\$ 0	\$ 2,357,777
Parishwide	815,477	0
Other Governmental	752,300	0
Internal service fund	790,000	0
Totals	<u>\$ 2,357,777</u>	<u>\$ 2,357,777</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

DeSoto Parish School Board
Notes to the Basic Financial Statements

NOTE 14 - ENCUMBRANCES (FFS LEVEL ONLY): Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances are carried forward to the next year. At June 30, 2007, the School Board had entered into purchase orders and commitments as follows:

<u>Fund</u>	<u>Amount</u>
School District No. 1	\$ 27,267
School District No. 2	1,338,023
School District No. 4	52,580
School District No. 5	2,436
Parish wide	<u>113,833</u>
Total	<u>\$1,534,139</u>

NOTE 15 - RISK MANAGEMENT: The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are handled by the School Board through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy. No significant reductions in insurance coverage from coverage in the prior year occurred, and no claims exceeded the School Board's insurance coverage for each of the past three years.

The School Board is partially self-insured for medical, dental and workers' compensation insurance coverage. Claims are funded through operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company under its medical plan for individual claims in excess of \$150,000 and for total annual claims in excess of 125% of expected claims. The School Board maintains stop-loss coverage with an insurance company under its workers' compensation plan for individual claims in excess of \$200,000 and for total claims that exceed \$1,000,000 in a three year period.

All known claims filed and an estimate of incurred but not reported claims based on experience of the School Board are made and accrued as necessary in the general fund and internal service fund. This liability is the School Board's best estimate based on available information. Changes in the reported liability since June 30, 2004 resulted from the following:

Worker's Compensation

2004-2005	\$ 107,695	\$ 167,157	\$ 124,374	\$ 150,478
2005-2006	150,478	208,252	154,128	204,602
2006-2007	204,602	68,661	68,662	204,601

The liability for worker's compensation is included in accounts, salaries and other payables in the general fund.

Health & Dental Insurance

2004-2005	\$ 1,162,458	\$ 5,721,114	\$ 5,492,298	\$ 1,391,274
2005-2006	1,391,274	8,293,701	7,747,980	1,936,995
2006-2007	1,936,995	8,855,924	8,634,336	2,158,583

DeSoto Parish School Board
Notes to the Basic Financial Statements

NOTE 16 - LITIGATION AND CLAIMS:

Litigation: The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position.

Grant Disallowances: The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount from future audits would not be material.

Construction in Progress: The School Board had ongoing construction projects for a new middle school and renovations at an existing school in District No. 2 at the year end. The School Board has spent \$11,293,557 on these projects and has purchase orders and commitments of another \$1,338,023.

NOTE 17 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES: On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$5,920. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 18 - ECONOMIC DEPENDENCY: Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$23,958,425 to the School Board, which represents approximately 41% of the School Board's total revenue in the governmental funds for the year.

NOTE 19 - LEASES: The School Board is a lessor in a lease/purchase agreement with some of its bus drivers. Certain buses were purchased by the School Board and leased to the bus drivers, with title to the bus passing to the driver at the end of the lease term. Total rental income under the lease was approximately \$14,657 during the year ended June 30, 2007. Future lease income for the next five years is as follows:

Year ending June 30:

2008	\$13,560
2009	8,112
2010	5,047
2011	5,047
2012	1,262

NOTE 20 - JOINTLY GOVERNED ORGANIZATION: The DeSoto Parish Sales and Use Tax Commission serves as the collector of sales and use taxes for the parish. The commission is comprised of five members, two each selected from the DeSoto Parish School Board and the DeSoto Parish Police Jury and one selected from the City of Mansfield, in accordance with the joint agreement of the agencies. Sales taxes of \$13,676,310 were collected by the Commission and distributed to the School Board.

**DeSoto Parish School Board
Mansfield, Louisiana**

**REQUIRED SUPPLEMENTAL
INFORMATION**

**DeSoto Parish School Board
Mansfield, Louisiana
Budgetary Comparison Schedule**

General Fund and Major Special Revenue Funds with Legally Adopted Annual Budgets

GENERAL FUND: The general fund accounts for all activities of the School Board except those required to be accounted for in another fund.

DESOTO PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2007**

Exhibit 1

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 7,663,231	\$ 8,201,171	\$ 8,206,984	\$ 5,813
Sales and use	7,144,000	10,738,000	10,393,996	(344,004)
Interest earnings	404,008	454,912	485,938	31,026
Other	933,122	644,939	489,815	(155,124)
State sources:				
Equalization	19,825,356	21,314,059	21,312,379	(1,680)
Other	1,832,671	2,039,554	1,877,088	(162,466)
Federal sources	93,827	88,827	84,457	(4,370)
Total Revenues	37,896,215	43,481,462	42,850,657	(630,805)
EXPENDITURES				
Current:				
Instruction:				
Regular programs	15,467,367	16,248,287	16,172,176	74,111
Special programs	8,891,558	9,560,183	9,279,210	280,973
Adult/continuing education programs	54,734	66,266	55,346	10,920
Support services:				
Pupil support services	1,212,055	1,345,731	1,312,527	33,204
Instructional staff support	2,271,890	2,123,303	2,057,601	65,702
General administration	979,099	1,003,741	1,003,287	454
School administration	2,743,617	2,958,392	2,927,541	30,851
Business services	717,191	812,212	793,428	18,784
Plant services	2,940,286	3,102,790	2,987,133	115,657
Student transportation services	3,205,278	3,988,331	3,953,129	35,202
Central services	177,845	192,856	180,804	12,052
Total Expenditures	38,660,920	41,400,092	40,722,182	677,910
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (764,705)	\$ 2,081,370	\$ 2,128,475	\$ 47,105

(CONTINUED)

DESOTO PARISH SCHOOL BOARD

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

Exhibit 1

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 288,545	\$ 281,787	\$ 235,446	\$ (46,341)
Transfers out	0	(2,357,777)	(2,357,777)	0
Total Other Financing Sources (Uses)	288,545	(2,075,990)	(2,122,331)	(46,341)
Net Change in Fund Balance	(476,160)	5,380	6,144	764
FUND BALANCE- BEGINNING	5,893,616	5,893,616	5,893,616	0
FUND BALANCE - ENDING	\$ 5,417,456	\$ 5,898,996	\$ 5,899,760	\$ 764

(CONCLUDED)

DeSoto Parish School Board
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2007

A. BUDGETS

The School Board utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (a) In May, the Superintendent submits to the School Board proposed annual appropriated budgets for the general Fund for the fiscal year commencing July 1. A public hearing is conducted to obtain taxpayer comments prior to September 15; the School Board legally enacts the budget through adoption. The only legal requirement is that the School Board adopts a balanced budget; that is, total budgeted revenues and other financing sources (including fund balance) must equal or exceed total budgeted expenditures and other financing uses. The general fund budget is prepared on the modified accrual basis of accounting. The budget is revised periodically throughout the school year, when deemed appropriate, but a balanced budget is always approved.
- (b) Appropriations in the General Fund lapse at the end of the fiscal year whereas encumbered appropriations are carried forward to the following year. Budgeted amounts are as originally adopted or as amended by the School Board.
- (c) Formal budgetary integration is employed as a management control device during the year for the General Fund. All budgets are operational at the departmental or project level. The Superintendent of the School Board is authorized to transfer budget amounts between line item activity and between any functions of an individual fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board resolution. The effects of budget revisions during the year for the general fund were to increase net revenues by \$5,585,247 and increase net expenditures by \$2,739,172.

B. Budget to GAAP Reconciliation – Explanation of differences between budgetary expenditures and GAAP expenditures:

Total expenditures on budgetary basis.	\$40,722,182
Indirect costs transfers recorded as a reduction of general administrative expenditures on GAAP basis and as transfer in on budget basis.	<u>(235,446)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds.	<u>\$40,486,736</u>

**DeSoto Parish School Board
Mansfield, Louisiana**

SUPPLEMENTAL INFORMATION

**DeSoto Parish School Board
Mansfield, Louisiana**

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

DESOTO PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2007

Exhibit 2

	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>CAPITAL</u> <u>PROJECTS</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 1,207,022	\$ 462,536	\$ 360,788	\$ 2,030,346
Investments	1,700,000	1,855,000	1,200,000	4,755,000
Receivables	1,193,290	30,835	120,074	1,344,199
Inventory	<u>22,604</u>	<u>0</u>	<u>0</u>	<u>22,604</u>
TOTAL ASSETS	<u>4,122,916</u>	<u>2,348,371</u>	<u>1,680,862</u>	<u>8,152,149</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	807,649	0	352,044	1,159,693
Interfund payables	477,931	15,224	0	493,155
Deferred revenues	<u>64,006</u>	<u>0</u>	<u>0</u>	<u>64,006</u>
Total Liabilities	<u>1,349,586</u>	<u>15,224</u>	<u>352,044</u>	<u>1,716,854</u>
Fund Balances:				
Reserved for inventory	22,604	0	0	22,604
Reserved for debt service	0	2,333,147	0	2,333,147
Unreserved:				
Designated for capital projects	0	0	1,328,818	1,328,818
Unreserved and undesignated	<u>2,750,726</u>	<u>0</u>	<u>0</u>	<u>2,750,726</u>
Total Fund Balances	<u>2,773,330</u>	<u>2,333,147</u>	<u>1,328,818</u>	<u>6,435,295</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,122,916</u>	<u>\$ 2,348,371</u>	<u>\$ 1,680,862</u>	<u>\$ 8,152,149</u>

DESOTO PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2007

Exhibit 3

	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>CAPITAL</u> <u>PROJECTS</u>	<u>TOTAL</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 1,346,243	\$ 3,305,724	\$ 0	\$ 4,651,967
Sales and use	547,052	551,000	791,926	1,889,978
Interest earnings	96,015	74,489	62,156	232,660
Food services	345,165	0	0	345,165
State sources:				
Equalization	715,920	0	0	715,920
Other	43,010	10,028	0	53,038
Federal sources	<u>7,157,778</u>	<u>0</u>	<u>0</u>	<u>7,157,778</u>
 Total Revenues	 <u>10,251,183</u>	 <u>3,941,241</u>	 <u>854,082</u>	 <u>15,046,506</u>
 EXPENDITURES				
Current:				
Instruction:				
Special programs	3,935,899	0	0	3,935,899
Adult/continuing education programs	61,786	0	0	61,786
Support services:				
Pupil support services	299,198	0	0	299,198
Instructional staff support	892,580	0	0	892,580
General administration	381,869	145,991	203,977	731,837
Business services	169	0	491	660
Plant services	1,629,009	0	0	1,629,009
Student transportation services	50,574	0	0	50,574
Food services	3,006,551	0	0	3,006,551
Capital outlay	45,234	0	584,472	629,706
Debt service:				
Principal retirement	0	2,668,000	0	2,668,000
Interest and bank charges	<u>0</u>	<u>892,437</u>	<u>0</u>	<u>892,437</u>
 Total Expenditures	 <u>10,302,869</u>	 <u>3,706,428</u>	 <u>788,940</u>	 <u>14,798,237</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ (51,686)</u>	 <u>\$ 234,813</u>	 <u>\$ 65,142</u>	 <u>\$ 248,269</u>

(CONTINUED)

DESOTO PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2007

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 752,300	\$ 0	\$ 0	\$ 752,300
Total Other Financing Sources (Uses)	<u>752,300</u>	<u>0</u>	<u>0</u>	<u>752,300</u>
Net Change in Fund Balances	700,614	234,813	65,142	1,000,569
FUND BALANCES - BEGINNING	<u>2,072,716</u>	<u>2,098,334</u>	<u>1,263,676</u>	<u>5,434,726</u>
FUND BALANCES - ENDING	<u>\$ 2,773,330</u>	<u>\$ 2,333,147</u>	<u>\$ 1,328,818</u>	<u>\$ 6,435,295</u>

(CONCLUDED)

**DeSoto Parish School Board
Mansfield, Louisiana
Nonmajor Special Revenue Funds**

EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I: To improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. This fund is primarily used for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

IMPROVING TEACHER QUALITY (TITLE II): This program was designed to improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

LITERACY CHALLENGE (TITLE III): To improve the skills and knowledge of teachers using computers, the Internet, and technology.

SAFE AND DRUG FREE SCHOOLS (TITLE IV): To enhance the Nation's efforts to prevent the illegal use of drugs and violence among, and promote safety and discipline for, students at all educational levels.

INNOVATION EDUCATION (TITLE V): To assist state and local educational agencies in the reform of elementary and secondary education.

EMERGENCY AID FOR DISPLACED STUDENTS: To provide funds to assist with the cost of educating students displaced by Hurricanes Katrina and Rita during school year 2005-2006.

7 MILL MAINTENANCE TAX: To assist in paying the general cost of operation and maintenance of public schools in the parish.

SPECIAL EDUCATION: To provide free, appropriate public education to all children in need of special education and related services.

EARLY CHILDHOOD PROGRAMS: To assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families.

ADULT EDUCATION: To develop knowledge and skills to meet immediate and long-range educational objectives of adults who have completed or interrupted formal schooling, having accepted adult roles and responsibilities.

SCHOOL FOOD SERVICE: This program was designed to assist through cash grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

VOCATIONAL EDUCATION: To provide students with the opportunity to develop the knowledge, skills, and attitudes needed for employment in agriculture, home economics, industrial arts, business, etc.

**DeSoto Parish School Board
Mansfield, Louisiana
Nonmajor Special Revenue Funds**

WORKFORCE INVESTMENT ACT: To aid in designing with states and local communities a revitalized workforce investment system that will help low income youth between the ages of 14 and 21 acquired the educational and occupational skills, training, and support needed to achieve academic and employment process and successfully transition to careers and productive adulthood.

SCHOOL HEALTH PILOT PROGRAM: To enhance the nation's efforts to prevent the illegal use of drugs and violence among, and promote safety and discipline for, students at all education levels.

READING FIRST: To provide assistance in establishing reading programs for students in kindergarten through third grade that are based on scientifically based reading research to ensure that every student can read at grade level or above by the end of third grade.

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2007

	EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I	IMPROVING TEACHER QUALITY TITLE II	LITERACY CHALLENGE TITLE III	SAFE AND DRUG FREE SCHOOLS TITLE IV
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0
Investments	0	0	0	0
Receivables	323,263	147,217	3,689	87
Inventory	0	0	0	0
TOTAL ASSETS	323,263	147,217	3,689	87
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	178,995	89,269	2,402	0
Interfund payables	144,224	57,925	1,282	78
Deferred revenues	44	23	5	9
Total Liabilities	323,263	147,217	3,689	87
Fund Balances:				
Reserved for inventory	0	0	0	0
Unreserved and undesignated	0	0	0	0
Total Fund Balances	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 323,263	\$ 147,217	\$ 3,689	\$ 87

Exhibit 4

INNOVATIVE EDUCATION TITLE V	EMERGENCY AID FOR DISPLACED STUDENTS	7 MILL MAINTENANCE TAX	SPECIAL EDUCATION	EARLY CHILDHOOD PROGRAMS	ADULT EDUCATION
\$ 0	\$ 0	\$ 780,654	\$ 0	\$ 28,958	\$ 0
0	0	700,000	0	0	0
59	850	5,434	192,730	65,954	13,986
0	0	0	0	0	0
59	850	1,486,088	192,730	94,912	13,986
0	433	114,416	89,036	32,793	5,695
54	417	0	103,660	0	6,524
5	0	0	34	62,118	1,767
59	850	114,416	192,730	94,912	13,986
0	0	0	0	0	0
0	0	1,371,672	0	0	0
0	0	1,371,672	0	0	0
\$ 59	\$ 850	\$ 1,486,088	\$ 192,730	\$ 94,912	\$ 13,986

(Continued)

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2007

	SCHOOL FOOD SERVICE	VOCATIONAL EDUCATION	WORKFORCE INVESTMENT ACT	SCHOOL HEALTH PILOT PROGRAM
ASSETS				
Cash and cash equivalents	\$ 397,410	\$ 0	\$ 0	\$ 0
Investments	1,000,000	0	0	0
Receivables	175,268	16,750	700	22,485
Inventory	<u>22,604</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>1,595,282</u>	<u>16,750</u>	<u>700</u>	<u>22,485</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	193,624	2,239	0	3,057
Interfund payables	0	14,511	700	19,428
Deferred revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>193,624</u>	<u>16,750</u>	<u>700</u>	<u>22,485</u>
Fund Balances:				
Reserved for inventory	22,604	0	0	0
Unreserved and undesignated	<u>1,379,054</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>1,401,658</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,595,282</u>	<u>\$ 16,750</u>	<u>\$ 700</u>	<u>\$ 22,485</u>

Exhibit 4

READING		
FIRST		TOTAL
\$	0	\$ 1,207,022
	0	1,700,000
	224,818	1,193,290
	0	<u>22,604</u>
	<u>224,818</u>	<u>4,122,916</u>

	95,690	807,649
	129,128	477,931
	0	<u>64,006</u>
	<u>224,818</u>	<u>1,349,586</u>

	0	22,604
	0	<u>2,750,726</u>
	0	<u>2,773,330</u>

\$ 224,818 \$ 4,122,916

(Concluded)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS Combining Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended June 30, 2007

	EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I	IMPROVING TEACHER QUALITY TITLE II	LITERACY CHALLENGE TITLE III	SAFE AND DRUG FREE SCHOOLS TITLE IV
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 0	\$ 0	\$ 0	0
Sales and use	0	0	0	0
Interest earnings	0	0	0	0
Food services	0	0	0	0
State sources:				
Equalization	0	0	0	0
Other	0	0	0	0
Federal sources	1,967,297	671,840	19,215	34,421
Total Revenues	1,967,297	671,840	19,215	34,421
EXPENDITURES				
Current:				
Instruction:				
Special programs	1,112,315	572,932	18,713	0
Adult/continuing education programs	0	0	0	0
Support services:				
Pupil support services	100,725	0	0	33,747
Instructional staff support	548,915	67,564	0	0
General administration	93,914	31,344	502	674
Business services	0	0	0	0
Plant services	102,107	0	0	0
Student transportation services	0	0	0	0
Food services	0	0	0	0
Capital outlay	9,321	0	0	0
Total Expenditures	1,967,297	671,840	19,215	34,421
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 0	0

Exhibit 5

INNOVATIVE EDUCATION TITLE V	EMERGENCY AID FOR DISPLACED STUDENTS	7 MILL MAINTENANCE TAX	SPECIAL EDUCATION	EARLY CHILDHOOD PROGRAMS	ADULT EDUCATION
\$ 0	\$ 0	\$ 1,346,243	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	26,471	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	43,010	0	0	0
12,701	5,277	0	1,152,438	328,709	64,963
12,701	5,277	1,415,724	1,152,438	328,709	64,963
12,080	5,174	10,403	677,811	312,196	0
0	0	0	0	0	61,786
0	0	0	143,255	0	0
0	0	0	266,322	0	0
621	103	140,953	56,941	16,513	3,177
0	0	169	0	0	0
0	0	1,521,488	5,414	0	0
0	0	47,879	2,695	0	0
0	0	0	0	0	0
0	0	0	0	0	0
12,701	5,277	1,720,892	1,152,438	328,709	64,963
\$ 0	\$ 0	\$ (305,168)	\$ 0	\$ 0	\$ 0

(Continued)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2007

	EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I	IMPROVING TEACHER QUALITY TITLE II	LITERACY CHALLENGE TITLE III	SAFE AND DRUG FREE SCHOOLS TITLE IV
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	0	0	0	0
FUND BALANCES - BEGINNING	0	0	0	0
FUND BALANCES - ENDING	\$ 0	\$ 0	\$ 0	\$ 0

Exhibit 5

INNOVATIVE EDUCATION TITLE V	EMERGENCY AID FOR DISPLACED STUDENTS	7 MILL MAINTENANCE TAX	SPECIAL EDUCATION	EARLY CHILDHOOD PROGRAMS	ADULT EDUCATION
\$ 0	\$ 0	\$ 752,300	\$ 0	\$ 0	\$ 0
0	0	752,300	0	0	0
0	0	447,132	0	0	0
0	0	924,540	0	0	0
\$ 0	\$ 0	\$ 1,371,672	\$ 0	\$ 0	\$ 0

(Continued)

DESOTO PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2007**

	<u>SCHOOL FOOD SERVICE</u>	<u>VOCATIONAL EDUCATION</u>	<u>WORKFORCE INVESTMENT ACT</u>	<u>SCHOOL HEALTH PILOT PROGRAM</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 0	\$ 0	\$ 0	0
Sales and use	547,052	0	0	0
Interest earnings	69,544	0	0	0
Food services	345,165	0	0	0
State sources:				
Equalization	715,920	0	0	0
Other	0	0	0	0
Federal sources	<u>1,607,347</u>	<u>101,942</u>	<u>8,000</u>	<u>22,486</u>
 Total Revenues	 <u>3,285,028</u>	 <u>101,942</u>	 <u>8,000</u>	 <u>22,486</u>
 EXPENDITURES				
Current:				
Instruction:				
Special programs	0	79,539	8,000	0
Adult/continuing education programs	0	0	0	0
Support services:				
Pupil support services	0	0	0	21,471
Instructional staff support	0	9,779	0	0
General administration	0	1,706	0	1,015
Business services	0	0	0	0
Plant services	0	0	0	0
Student transportation services	0	0	0	0
Food services	3,006,551	0	0	0
Capital outlay	<u>24,995</u>	<u>10,918</u>	<u>0</u>	<u>0</u>
 Total Expenditures	 <u>3,031,546</u>	 <u>101,942</u>	 <u>8,000</u>	 <u>22,486</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ 253,482</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>0</u>

Exhibit 5

READING		
FIRST		TOTAL
\$	0 \$	1,346,243
	0	547,052
	0	96,015
	0	345,165
	0	715,920
	0	43,010
	<u>1,161,142</u>	<u>7,157,778</u>
	<u>1,161,142</u>	<u>10,251,183</u>

1,126,736	3,935,899
0	61,786
0	299,198
0	892,580
34,406	381,869
0	169
0	1,629,009
0	50,574
0	3,006,551
0	<u>45,234</u>
<u>1,161,142</u>	<u>10,302,869</u>

\$ 0 \$ (51,686)

(Continued)

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2007

	<u>SCHOOL FOOD SERVICE</u>	<u>VOCATIONAL EDUCATION</u>	<u>WORKFORCE INVESTMENT ACT</u>	<u>SCHOOL HEALTH PILOT PROGRAM</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	253,482	0	0	0
FUND BALANCES - BEGINNING	1,148,176	0	0	0
FUND BALANCES - ENDING	\$ 1,401,658	\$ 0	\$ 0	\$ 0

Exhibit 5

READING FIRST	TOTAL
\$ 0	\$ 752,300
0	752,300
0	700,614
0	2,072,716
\$ 0	\$ 2,773,330

(Concluded)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Educational Consolidation and Improvement Act
Title I

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007

Exhibit 6-1

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Federal sources	\$ 2,209,631	\$ 2,212,742	\$ 1,967,297	\$ (245,445)
Total Revenues	2,209,631	2,212,742	1,967,297	(245,445)
EXPENDITURES				
Current:				
Instruction:				
Special programs	1,139,250	1,234,569	1,112,315	122,254
Support services:				
Pupil support services	117,346	111,863	100,725	11,138
Instructional staff support	701,075	623,000	548,915	74,085
General administration	98,434	110,222	93,914	16,308
Plant services	153,526	123,767	102,107	21,660
Capital outlay	0	9,321	9,321	0
Total Expenditures	2,209,631	2,212,742	1,967,297	245,445
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
FUND BALANCES - BEGINNING	0	0	0	0
FUND BALANCES - ENDING	\$ 0	\$ 0	\$ 0	\$ 0

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Improving Teacher Quality
Title II

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007

Exhibit 6-2

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUES				
Federal sources	\$ 659,388	\$ 728,530	\$ 671,840	\$ (56,690)
 Total Revenues	<u>659,388</u>	<u>728,530</u>	<u>671,840</u>	<u>(56,690)</u>
 EXPENDITURES				
Current:				
Instruction:				
Special programs	611,517	614,585	572,932	41,653
Support services:				
Instructional staff support	17,178	79,281	67,564	11,717
General administration	30,693	34,664	31,344	3,320
 Total Expenditures	<u>659,388</u>	<u>728,530</u>	<u>671,840</u>	<u>56,690</u>
 EXCESS (Deficiency) OF REVENUES				
OVER EXPENDITURES	0	0	0	0
 FUND BALANCES - BEGINNING	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 FUND BALANCES - ENDING	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Literacy Challenge
Title III

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007

Exhibit 6-3

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Federal sources	\$ 26,581	\$ 24,939	\$ 19,215	\$ (5,724)
Total Revenues	<u>26,581</u>	<u>24,939</u>	<u>19,215</u>	<u>(5,724)</u>
EXPENDITURES				
Current:				
Instruction:				
Special programs	26,034	24,330	18,713	5,617
Support services:				
General administration	547	609	502	107
Total Expenditures	<u>26,581</u>	<u>24,939</u>	<u>19,215</u>	<u>5,724</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
FUND BALANCES - BEGINNING	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES - ENDING	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Safe and Drug Free Schools
Title IV

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007

Exhibit 6-4

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Federal sources	\$ 42,033	\$ 53,557	\$ 34,421	\$ (19,136)
Total Revenues	<u>42,033</u>	<u>53,557</u>	<u>34,421</u>	<u>(19,136)</u>
EXPENDITURES				
Current:				
Support services:				
Pupil support services	41,208	52,507	33,747	18,760
General administration	825	1,050	674	376
Total Expenditures	<u>42,033</u>	<u>53,557</u>	<u>34,421</u>	<u>19,136</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
FUND BALANCES - BEGINNING	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES - ENDING	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Innovative Education
Title V

**Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007**

Exhibit 6-5

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Federal sources	\$ 10,319	\$ 12,703	\$ 12,701	\$ (2)
Total Revenues	10,319	12,703	12,701	(2)
EXPENDITURES				
Current:				
Instruction:				
Special programs	9,848	12,081	12,080	1
Support services:				
General administration	471	622	621	1
Total Expenditures	10,319	12,703	12,701	2
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
FUND BALANCES - BEGINNING	0	0	0	0
FUND BALANCES - ENDING	\$ 0	\$ 0	\$ 0	\$ 0

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Emergency Aid for Displaced Students

**Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007**

Exhibit 6-6

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Federal sources	\$ 5,284	\$ 5,284	\$ 5,277	\$ (7)
Total Revenues	5,284	5,284	5,277	(7)
EXPENDITURES				
Current:				
Instruction:				
Special programs	5,180	5,180	5,174	6
Support services:				
General administration	104	104	103	1
Total Expenditures	5,284	5,284	5,277	7
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
FUND BALANCES - BEGINNING	0	0	0	0
FUND BALANCES - ENDING	\$ 0	\$ 0	\$ 0	\$ 0

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

7 Mill Maintenance Tax

**Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007**

Exhibit 6-7

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 1,251,163	\$ 1,345,262	\$ 1,346,243	\$ 981
Interest earnings	2,500	23,538	26,471	2,933
State sources:				
Other	39,999	43,010	43,010	0
Total Revenues	<u>1,293,662</u>	<u>1,411,810</u>	<u>1,415,724</u>	<u>3,914</u>
EXPENDITURES				
Current:				
Instruction:				
Special programs	11,080	10,403	10,403	0
Support services:				
General administration	150,261	140,954	140,953	1
Business services	52	194	169	25
Plant services	1,377,675	1,521,638	1,521,488	150
Student transportation services	27,219	48,606	47,879	727
Total Expenditures	<u>1,566,287</u>	<u>1,721,795</u>	<u>1,720,892</u>	<u>903</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(272,625)</u>	<u>(309,985)</u>	<u>(305,168)</u>	<u>4,817</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	0	752,300	752,300	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>752,300</u>	<u>752,300</u>	<u>0</u>
Net Change in Fund Balances	<u>(272,625)</u>	<u>442,315</u>	<u>447,132</u>	<u>4,817</u>
FUND BALANCES - BEGINNING	<u>924,540</u>	<u>924,540</u>	<u>924,540</u>	<u>0</u>
FUND BALANCES - ENDING	<u>\$ 651,915</u>	<u>\$ 1,366,855</u>	<u>\$ 1,371,672</u>	<u>\$ 4,817</u>

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Special Education

**Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007**

Exhibit 6-8

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Federal sources	\$ 1,274,964	\$ 1,294,265	\$ 1,152,438	\$ (141,827)
Total Revenues	<u>1,274,964</u>	<u>1,294,265</u>	<u>1,152,438</u>	<u>(141,827)</u>
EXPENDITURES				
Current:				
Instruction:				
Special programs	786,146	797,381	677,811	119,570
Support services:				
Pupil support services	136,474	144,237	143,255	982
Instructional staff support	274,383	279,848	266,322	13,526
General administration	58,968	63,738	56,941	6,797
Plant services	15,044	5,995	5,414	581
Student transportation services	3,949	3,066	2,695	371
Total Expenditures	<u>1,274,964</u>	<u>1,294,265</u>	<u>1,152,438</u>	<u>141,827</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
FUND BALANCES - BEGINNING	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES - ENDING	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Early Childhood Programs

**Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007**

Exhibit 6-9

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Federal sources	\$ 428,662	\$ 447,183	\$ 328,709	\$ (118,474)
Total Revenues	<u>428,662</u>	<u>447,183</u>	<u>328,709</u>	<u>(118,474)</u>
EXPENDITURES				
Current:				
Instruction:				
Special programs	407,914	424,110	312,196	111,914
Support services:				
General administration	<u>20,748</u>	<u>23,073</u>	<u>16,513</u>	<u>6,560</u>
Total Expenditures	<u>428,662</u>	<u>447,183</u>	<u>328,709</u>	<u>118,474</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
FUND BALANCES - BEGINNING	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES - ENDING	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Adult Education

**Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007**

Exhibit 6-10

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Federal sources	\$ 57,087	\$ 66,731	\$ 64,963	\$ (1,768)
 Total Revenues	<u>57,087</u>	<u>66,731</u>	<u>64,963</u>	<u>(1,768)</u>
 EXPENDITURES				
Current:				
Instruction:				
Adult/continuing education programs	54,480	63,551	61,786	1,765
Support services:				
General administration	<u>2,607</u>	<u>3,180</u>	<u>3,177</u>	<u>3</u>
 Total Expenditures	<u>57,087</u>	<u>66,731</u>	<u>64,963</u>	<u>1,768</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
 FUND BALANCES - BEGINNING	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 FUND BALANCES - ENDING	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

School Food Service

**Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007**

Exhibit 6-11

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ 376,000	\$ 540,000	\$ 547,052	7,052
Interest earnings	31,000	63,804	69,544	5,740
Food services	329,270	344,725	345,165	440
Other	1,000	1,000	0	(1,000)
State sources:				
Equalization	665,968	715,976	715,920	(56)
Federal sources	<u>1,764,380</u>	<u>1,712,689</u>	<u>1,607,347</u>	<u>(105,342)</u>
Total Revenues	<u>3,167,618</u>	<u>3,378,194</u>	<u>3,285,028</u>	<u>(93,166)</u>
EXPENDITURES				
Current:				
Food services	3,167,618	3,337,066	3,006,551	330,515
Capital outlay	<u>0</u>	<u>25,000</u>	<u>24,995</u>	<u>5</u>
Total Expenditures	<u>3,167,618</u>	<u>3,362,066</u>	<u>3,031,546</u>	<u>330,520</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	16,128	253,482	237,354
FUND BALANCES - BEGINNING	<u>680,290</u>	<u>1,148,176</u>	<u>1,148,176</u>	<u>0</u>
FUND BALANCES - ENDING	<u>\$ 680,290</u>	<u>\$ 1,164,304</u>	<u>\$ 1,401,658</u>	<u>\$ 237,354</u>

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Vocational Education

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007

Exhibit 6-12

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Federal sources	\$ 77,377	\$ 102,164	\$ 101,942	\$ (222)
Total Revenues	77,377	102,164	101,942	(222)
EXPENDITURES				
Current:				
Instruction:				
Special programs	71,399	79,592	79,539	53
Support services:				
Instructional staff support	5,025	10,000	9,779	221
General administration	953	1,654	1,706	(52)
Capital outlay	0	10,918	10,918	0
Total Expenditures	77,377	102,164	101,942	222
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
FUND BALANCES - BEGINNING	0	0	0	0
FUND BALANCES - ENDING	\$ 0	\$ 0	\$ 0	\$ 0

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Workforce Investment Act

**Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007**

Exhibit 6-13

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Federal sources	\$ 11,343	\$ 8,000	\$ 8,000	\$ 0
Total Revenues	11,343	8,000	8,000	0
EXPENDITURES				
Current:				
Instruction:				
Special programs	11,343	8,000	8,000	0
Total Expenditures	11,343	8,000	8,000	0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
FUND BALANCES - BEGINNING	0	0	0	0
FUND BALANCES - ENDING	\$ 0	\$ 0	\$ 0	\$ 0

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

School Health Pilot Program

**Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007**

Exhibit 6-14

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Federal sources	\$ 100,000	\$ 100,000	\$ 22,486	\$ (77,514)
Total Revenues	100,000	100,000	22,486	(77,514)
EXPENDITURES				
Current:				
Support services:				
Pupil support services	95,193	95,193	21,471	73,722
General administration	4,807	4,807	1,015	3,792
Total Expenditures	100,000	100,000	22,486	77,514
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
FUND BALANCES - BEGINNING	0	0	0	0
FUND BALANCES - ENDING	\$ 0	\$ 0	\$ 0	\$ 0

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Reading First

**Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2007**

Exhibit 6-15

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Federal sources	\$ 1,071,094	\$ 1,477,338	\$ 1,161,142	\$ (316,196)
Total Revenues	<u>1,071,094</u>	<u>1,477,338</u>	<u>1,161,142</u>	<u>(316,196)</u>
EXPENDITURES				
Current:				
Instruction:				
Special programs	994,128	1,422,747	1,126,736	296,011
Support services:				
General administration	<u>76,966</u>	<u>54,591</u>	<u>34,406</u>	<u>20,185</u>
Total Expenditures	<u>1,071,094</u>	<u>1,477,338</u>	<u>1,161,142</u>	<u>316,196</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
FUND BALANCES - BEGINNING	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES - ENDING	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

**DeSoto Parish School Board
Mansfield, Louisiana
Nonmajor Debt Service Funds**

SCHOOL DISTRICTS NO.1, NO. 2 (1996 ISSUE), NO. 2 (1998 ISSUE), NO. 2 (1997 ISSUE), NO. 2 (2004 AND 2005 ISSUE), NO. 3 (1994 ISSUE), NO. 3 (1998 ISSUE), NO. 3 (1994 ISSUE), NO. 4, AND NO. 5: To accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquired lands for building sites, erect and improve school buildings, and acquire the necessary equipment and furnishings thereof. The bond issues are financed by a special property tax levy on property within the respective school districts and/or an allocation of sales and use tax collected.

DESOTO PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS

Combining Balance Sheet

June 30, 2007

	NO. 1	NO. 2 1996 ISSUE	NO. 2 1998 ISSUE	NO. 2 1997 ISSUE
ASSETS				
Cash and cash equivalents	\$ 275,355	\$ 2,413	\$ 0	\$ 3,411
Investments	0	90,000	180,000	75,000
Receivables	233	1,828	2,072	1,514
TOTAL ASSETS	275,588	94,239	182,072	79,925
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund payables	0	0	15,224	0
Total Liabilities	0	0	15,224	0
Fund Balances:				
Reserved for debt service	275,588	94,239	166,848	79,925
Total Fund Balances	275,588	94,239	166,848	79,925
TOTAL LIABILITIES AND FUND BALANCES	\$ 275,588	\$ 94,239	\$ 182,072	\$ 79,925

Exhibit 7

NO. 2 2004 & 2005 ISSUE	NO. 3 1994 ISSUE	NO. 3 1998 ISSUE	NO. 3 1994 ISSUE	NO. 4	NO. 5	TOTAL
\$ 8,502 \$	89,121 \$	11,572 \$	16,485 \$	48,949 \$	6,728 \$	462,536
885,000	0	0	0	550,000	75,000	1,855,000
17,302	104	0	10	6,840	934	30,835
910,804	89,225	11,572	16,495	605,789	82,662	2,348,371
0	0	0	0	0	0	15,224
0	0	0	0	0	0	15,224
910,804	89,225	11,572	16,495	605,789	82,662	2,333,147
910,804	89,225	11,572	16,495	605,789	82,662	2,333,147
\$ 910,804 \$	\$ 89,225 \$	\$ 11,572 \$	\$ 16,495 \$	\$ 605,789 \$	\$ 82,662 \$	\$ 2,348,371

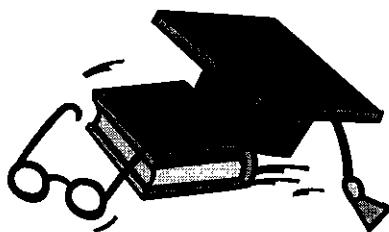
DESOTO PARISH SCHOOL BOARD
NONMAJOR DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2007

	<u>NO. 1</u>	<u>NO. 2 1996 ISSUE</u>	<u>NO. 2 1998 ISSUE</u>	<u>NO. 2 1997 ISSUE</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 544,879	\$ 200,671	\$ 302,271	\$ 151,027
Sales and use	0	0	0	30,000
Interest earnings	9,247	1,861	6,499	3,932
State sources - other	0	0	10,028	0
	<u>554,126</u>	<u>202,532</u>	<u>318,798</u>	<u>184,959</u>
Total Revenues				
	<u>554,126</u>	<u>202,532</u>	<u>318,798</u>	<u>184,959</u>
EXPENDITURES				
Current:				
Support services:				
General administration	22,770	8,251	12,376	6,668
Debt Service:				
Principal retirement	450,000	165,000	250,000	125,000
Interest and bank charges	47,037	13,824	63,392	69,559
	<u>519,807</u>	<u>187,075</u>	<u>325,768</u>	<u>201,227</u>
Total Expenditures				
	<u>519,807</u>	<u>187,075</u>	<u>325,768</u>	<u>201,227</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	34,319	15,457	(6,970)	(16,268)
FUND BALANCES - BEGINNING	<u>241,269</u>	<u>78,782</u>	<u>173,818</u>	<u>96,193</u>
FUND BALANCES - ENDING	<u>\$ 275,588</u>	<u>\$ 94,239</u>	<u>\$ 166,848</u>	<u>\$ 79,925</u>

Exhibit 8

NO. 2 2004 & 2005 ISSUE	NO. 3 1994 ISSUE	NO. 3 1998 ISSUE	NO. 3 1994 ISSUE	NO. 4	NO. 5	TOTAL
\$ 737,732	\$ 240,471	\$ 0	\$ 26,553	\$ 957,843	\$ 144,277	\$ 3,305,724
0	0	21,000	0	450,000	50,000	551,000
30,860	3,566	469	682	15,236	2,137	74,489
0	0	0	0	0	0	10,028
<u>768,592</u>	<u>244,037</u>	<u>21,469</u>	<u>27,235</u>	<u>1,423,079</u>	<u>196,414</u>	<u>3,941,241</u>
30,253	10,666	336	1,152	46,418	7,101	145,991
20,000	190,000	18,000	15,000	1,270,000	165,000	2,668,000
<u>550,793</u>	<u>30,903</u>	<u>4,286</u>	<u>10,247</u>	<u>86,786</u>	<u>15,610</u>	<u>892,437</u>
<u>601,046</u>	<u>231,569</u>	<u>22,622</u>	<u>26,399</u>	<u>1,403,204</u>	<u>187,711</u>	<u>3,706,428</u>
167,546	12,468	(1,153)	836	19,875	8,703	234,813
<u>743,258</u>	<u>76,757</u>	<u>12,725</u>	<u>15,659</u>	<u>585,914</u>	<u>73,959</u>	<u>2,098,334</u>
<u>\$ 910,804</u>	<u>\$ 89,225</u>	<u>\$ 11,572</u>	<u>\$ 16,495</u>	<u>\$ 605,789</u>	<u>\$ 82,662</u>	<u>\$ 2,333,147</u>

**DeSoto Parish School Board
Mansfield, Louisiana**



**DeSoto Parish School Board
Mansfield, Louisiana
Nonmajor Capital Project Funds**

SCHOOL DISTRICTS NO. 1, NO. 3, NO. 4, AND NO. 5: To account for financial resources to acquire, construct, and improve public school facilities in the respective districts.

DESOTO PARISH SCHOOL BOARD
NONMAJOR CAPITAL PROJECT FUNDS
Combining Balance Sheet
June 30, 2007

	SCHOOL DISTRICT NO. 1	SCHOOL DISTRICT NO. 3	SCHOOL DISTRICT NO. 4
ASSETS			
Cash and cash equivalents	\$ 66,614	\$ 34,032	\$ 190,346
Investments	200,000	150,000	700,000
Receivables	27,927	15,188	69,210
Interfund receivables	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>294,541</u>	<u>199,220</u>	<u>959,556</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	<u>180,880</u>	<u>0</u>	<u>171,164</u>
Total Liabilities	<u>180,880</u>	<u>0</u>	<u>171,164</u>
Fund Balances:			
Unreserved - designated for specific projects	<u>113,661</u>	<u>199,220</u>	<u>788,392</u>
TOTAL FUND BALANCES	<u>113,661</u>	<u>199,220</u>	<u>788,392</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 294,541</u>	<u>\$ 199,220</u>	<u>\$ 959,556</u>

Exhibit 9

SCHOOL DISTRICT NO. 5		TOTAL
\$	69,796	\$ 360,788
	150,000	1,200,000
	7,749	120,074
	<u>0</u>	<u>0</u>
	<u>227,545</u>	<u>1,680,862</u>
	<u>0</u>	<u>352,044</u>
	<u>0</u>	<u>352,044</u>
	<u>227,545</u>	<u>1,328,818</u>
	<u>227,545</u>	<u>1,328,818</u>
\$	<u>227,545</u>	\$ <u>1,680,862</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2007

	SCHOOL DISTRICT NO. 1	SCHOOL DISTRICT NO. 3	SCHOOL DISTRICT NO. 4
REVENUES			
Local sources:			
Taxes:			
Sales and use	\$ 307,717	\$ 143,116	\$ 309,035
Interest earnings	8,714	6,039	37,104
Total Revenues	<u>316,431</u>	<u>149,155</u>	<u>346,139</u>
EXPENDITURES			
Current:			
Support services:			
General administration	140,928	42,942	17,242
Business services	98	65	217
Capital outlay	<u>218,062</u>	<u>26,335</u>	<u>317,590</u>
Total Expenditures	<u>359,088</u>	<u>69,342</u>	<u>335,049</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(42,657)	79,813	11,090
FUND BALANCES - BEGINNING	<u>156,318</u>	<u>119,407</u>	<u>777,302</u>
FUND BALANCES - ENDING	<u>\$ 113,661</u>	<u>\$ 199,220</u>	<u>\$ 788,392</u>

Exhibit 10

SCHOOL DISTRICT		TOTAL	
NO. 5			
\$	32,058	\$	791,926
	10,299		62,156
	<u>42,357</u>		<u>854,082</u>
	2,865		203,977
	111		491
	<u>22,485</u>		<u>584,472</u>
	<u>25,461</u>		<u>788,940</u>
	16,896		65,142
	<u>210,649</u>		<u>1,263,676</u>
\$	<u>227,545</u>	\$	<u>1,328,818</u>

**DeSoto Parish School Board
Mansfield, Louisiana
Internal Service Funds**

GROUP DENTAL INSURANCE: To recover over a period of time the total cost of providing group dental insurance to School Board employees and retirees.

GROUP HEALTH INSURANCE: To recover over a period of time the total cost of providing group medical insurance to School Board employees and retirees.

DESOTO PARISH SCHOOL BOARD
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Combining Statement of Net Assets
June 30, 2007

Exhibit 11

	<u>GROUP DENTAL INSURANCE</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTAL</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 165,398	\$ 3,220,251	\$ 3,385,649
Investments	0	800,000	800,000
Receivables	<u>0</u>	<u>5,305</u>	<u>5,305</u>
 TOTAL CURRENT ASSETS	 <u>165,398</u>	 <u>4,025,556</u>	 <u>4,190,954</u>
 LIABILITIES			
Current liabilities:			
Medical claims payable	0	2,102,039	2,102,039
Dental claims payable	<u>56,544</u>	<u>0</u>	<u>56,544</u>
 TOTAL CURRENT LIABILITIES	 <u>56,544</u>	 <u>2,102,039</u>	 <u>2,158,583</u>
 NET ASSETS			
Unrestricted	<u>108,854</u>	<u>1,923,517</u>	<u>2,032,371</u>
 TOTAL NET ASSETS	 <u>\$ 108,854</u>	 <u>\$ 1,923,517</u>	 <u>\$ 2,032,371</u>

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Combining Statement of Revenue, Expenses,
and Changes in Fund Net Assets
For the Year Ended June 30, 2007

Exhibit 12

	<u>GROUP DENTAL INSURANCE</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTAL</u>
OPERATING REVENUE			
Medical premiums	\$ 0	\$ 8,813,677	\$ 8,813,677
Dental premiums	<u>275,558</u>	<u>0</u>	<u>275,558</u>
Total operating revenues	<u>275,558</u>	<u>8,813,677</u>	<u>9,089,235</u>
OPERATING EXPENSES			
Claims	4,552	8,625,195	8,629,747
Administration	12,218	232,602	244,820
Insurance	<u>226,178</u>	<u>314,230</u>	<u>540,408</u>
Total operating expenses	<u>242,948</u>	<u>9,172,027</u>	<u>9,414,975</u>
Operating income (loss)	32,610	(358,350)	(325,740)
NONOPERATING REVENUES			
Earnings on investments	<u>7,339</u>	<u>187,552</u>	<u>194,891</u>
Income (loss) before transfers	39,949	(170,798)	(130,849)
Transfers in	<u>0</u>	<u>790,000</u>	<u>790,000</u>
Change in Net Assets	39,949	619,202	659,151
NET ASSETS - BEGINNING	<u>68,905</u>	<u>1,304,315</u>	<u>1,373,220</u>
NET ASSETS - ENDING	<u>\$ 108,854</u>	<u>\$ 1,923,517</u>	<u>\$ 2,032,371</u>

DESOTO PARISH SCHOOL BOARD
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2007

Exhibit 13

	<u>GROUP DENTAL INSURANCE</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Medical and dental premiums received	\$ 275,558	\$ 10,044,400	\$ 10,319,958
Administrative fees paid	(12,218)	(232,602)	(244,820)
Premiums paid	(226,178)	(314,230)	(540,408)
Claims paid	(1)	(8,408,158)	(8,408,159)
	<u>37,161</u>	<u>1,089,410</u>	<u>1,126,571</u>
Net cash provided (used) by operating activities			
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	<u>0</u>	<u>790,000</u>	<u>790,000</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Earnings on investments	7,339	187,552	194,891
Proceeds from investments	<u>0</u>	<u>100,000</u>	<u>100,000</u>
	<u>7,339</u>	<u>287,552</u>	<u>294,891</u>
Net cash provided (used) for investing activities			
Net increase (decrease) in cash and cash equivalents	44,500	2,166,962	2,211,462
CASH AND CASH EQUIVALENTS - BEGINNING	<u>120,898</u>	<u>1,053,289</u>	<u>1,174,187</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>165,398</u>	<u>3,220,251</u>	<u>3,385,649</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	32,610	(358,350)	(325,740)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
(Increase) decrease in receivables	0	241,772	241,772
(Increase) decrease in interfund receivables	0	988,951	988,951
Increase (decrease) in claims payable	<u>4,551</u>	<u>217,037</u>	<u>221,588</u>
Net cash provided (used) for operating activities	<u>\$ 37,161</u>	<u>\$ 1,089,410</u>	<u>\$ 1,126,571</u>

**DeSoto Parish School Board
Mansfield, Louisiana
Agency Funds**

SCHOOL ACTIVITIES FUND: The activities of the various individual school accounts are accounted for in the school activities agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

DESOTO PARISH SCHOOL BOARD
SCHOOL ACTIVITIES AGENCY FUND
Statement of Changes in Assets and Liabilities
June 30, 2007

Exhibit 14

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
ASSETS				
Cash and cash equivalents	\$ 359,858	\$ 1,269,344	\$ 1,279,299	\$ 349,903
Investments	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>25,000</u>
Total assets	<u>384,858</u>	<u>1,269,344</u>	<u>1,279,299</u>	<u>374,903</u>
LIABILITIES				
Accounts payable	25,582	0	25,582	0
Deposits due others	<u>359,276</u>	<u>1,269,344</u>	<u>1,253,717</u>	<u>374,903</u>
Total liabilities	<u>\$ 384,858</u>	<u>\$ 1,269,344</u>	<u>\$ 1,279,299</u>	<u>\$ 374,903</u>

DESOTO PARISH SCHOOL BOARD
SCHOOL ACTIVITIES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2007

Exhibit 15

<u>SCHOOL</u>	<u>Balance,</u> <u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>Ending</u>
Logansport Elementary	\$ 19,046	\$ 44,362	\$ 43,624	\$ 19,784
Logansport High	35,085	194,982	194,111	35,956
Mansfield Elementary Middle Pre K-2	39,426	41,680	28,797	52,309
Mansfield Elementary Middle 3-5	16,255	29,580	34,239	11,596
Mansfield Elementary Middle 6-8	13,694	58,907	55,480	17,121
Mansfield High	45,333	246,181	243,996	47,518
North DeSoto Elementary	12,145	45,395	48,503	9,037
North DeSoto Middle	50,938	64,844	68,797	46,985
North DeSoto High	90,425	349,590	363,656	76,359
Pelican High	4,324	38,224	41,271	1,277
Stanley High	54,931	151,847	154,484	52,294
DeSoto Parish Alternative	<u>3,256</u>	<u>3,752</u>	<u>2,341</u>	<u>4,667</u>
Total	<u>\$ 384,858</u>	<u>\$ 1,269,344</u>	<u>\$ 1,279,299</u>	<u>\$ 374,903</u>

**DeSoto Parish School Board
Mansfield, Louisiana**

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

DESOTO PARISH SCHOOL BOARD
COMPARATIVE SCHEDULE OF CAPITAL ASSETS
BY SOURCES
June 30, 2007

Exhibit 16

	<u>2007</u>	<u>2006</u>
CAPITAL ASSETS:		
Land	\$ 1,495,645	\$ 1,495,645
Land improvements	3,716,067	2,663,269
Buildings and improvements	51,778,804	50,511,421
Furniture and equipment	1,624,308	1,280,916
Vehicles	4,599,086	3,664,775
Construction in progress	<u>11,293,557</u>	<u>5,192,704</u>
 TOTAL CAPITAL ASSETS	 <u>74,507,467</u>	 <u>64,808,730</u>
 INVESTMENT IN CAPITAL ASSETS:		
Capital Projects Funds	67,962,695	59,022,168
General Fund	5,383,372	4,769,016
School Lunch Fund	263,021	244,021
Federal Aid	456,312	331,458
State Aid	5,838	5,838
Gifts and donations	<u>436,229</u>	<u>436,229</u>
 TOTAL INVESTMENT IN CAPITAL ASSETS	 <u>\$ 74,507,467</u>	 <u>\$ 64,808,730</u>

DESOTO PARISH SCHOOL BOARD

SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY

June 30, 2007

Exhibit 17

<u>FUNCTION AND ACTIVITY</u>	<u>Total</u>	<u>Land and land improvements</u>	<u>Buildings and improvements</u>	<u>Furniture and equipment</u>	<u>Vehicles</u>	<u>Construction in progress</u>
<u>Instructional services:</u>						
Regular and special programs						
High schools	\$ 30,005,350	\$ 2,453,257	\$ 26,667,672	\$ 542,661	\$ 341,760	0
Middle schools	30,318,569	1,614,665	18,618,992	293,769	0	9,791,143
Elementary schools	6,376,091	850,799	3,867,649	259,949	0	1,397,694
Adult/Continued education	157,086	2,362	146,300	8,424	0	0
Total Instructional services	66,857,096	4,921,083	49,300,613	1,104,803	341,760	11,188,837
<u>Supporting services</u>						
General and school administration	945,084	163,407	398,191	263,619	15,147	104,720
Plant services	3,470,149	127,222	1,956,500	255,886	1,130,541	0
Student transportation services	3,111,638	0	0	0	3,111,638	0
Noninstructional services - food service operations	123,500	0	123,500	0	0	0
Total capital assets allocated to functions	\$ 74,507,467	\$ 5,211,712	\$ 51,778,804	\$ 1,624,308	\$ 4,599,086	\$ 11,293,557

DESOTO PARISH SCHOOL BOARD
SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
For the Year Ended June 30, 2007

Exhibit 18

<u>FUNCTION AND ACTIVITY</u>	<u>BALANCE,</u> <u>BEGINNING</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE,</u> <u>ENDING</u>
<u>Instructional services:</u>				
Regular and special programs:				
High schools	\$ 29,491,868	\$ 833,732	\$ 320,250	\$ 30,005,350
Middle schools	23,771,387	6,560,576	13,394	30,318,569
Elementary schools	4,473,569	1,902,522	0	6,376,091
Adult/Continued education	157,086	0	0	157,086
Total Instructional services	57,893,910	9,296,830	333,644	66,857,096
<u>Supporting services</u>				
General and school administration	824,038	121,046	0	945,084
Plant services	2,855,644	614,505	0	3,470,149
Student transportation services	3,111,638	0	0	3,111,638
Noninstructional services - food service operations	123,500	0	0	123,500
Total capital assets	\$ 64,808,730	\$ 10,032,381	\$ 333,644	\$ 74,507,467

**DeSoto Parish School Board
Mansfield, Louisiana**

General

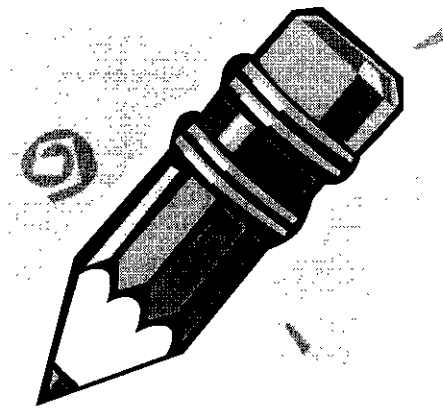
Exhibit 19

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2007**

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$600 per month. The president receives an additional \$100 per month for performing the duties of the president, while the three members of the budget/finance committee (Executive Committee) receive an additional \$50 per month.

Mr. Douglas "Bartholmew" Claiborne	\$ 3,600
Mr. Thomas "Tommy" Craig, Jr.	7,800
Mr. Donald "Donny" Dufour	7,800
Mr. McLawrence Fuller	7,800
Mr. Dudley Glenn	7,800
Mr. Johnny Haynes	7,200
Dr. Robert "Neil" Henderson	7,800
Mrs. Patricia Hesser	7,200
Mr. L.J. Mayweather, Jr.	7,200
Mr. John Neilson	3,600
Mr. Larry "Mark" Ross	7,200
Mr. Thomas J. Ryder	3,600
Mrs. Mattie Williams	<u>3,600</u>
Total	<u>\$82,200</u>

**DeSoto Parish School Board
Mansfield, Louisiana**



STATISTICAL SECTION

DeSoto Parish School Board
Statistical Section
Contents

Financial Trends

These schedules contain trend information to help the reader understand how the School Board's financial performance and well being has changed over time.

Net Assets by Component	1	119
Changes in Net Assets	2	120
Fund Balances of Governmental Funds	3	121
Changes in Fund Balances of Governmental Funds	4	122

Revenue Capacity

These schedules contain information to help the reader assess the School Board's most significant local revenue sources, property tax and sales tax.

Assessed Value and Estimated Actual Value of Taxable Property	5	123
Overlapping Governments	6	124
Principal Property Taxpayers	7	125
Property Tax Levies and Collections	8	126
Sales and Use Tax Rates and Collections - All Governments	9	127

Debt Capacity

These schedules present information to help the reader assess the affordability of the School Board's current levels of outstanding debt and the School Board's ability to issue debt in the future.

Ratios of Outstanding Debt by Type	10	128
Ratios of General Bonded Debt Outstanding	11	129
Direct and Overlapping Governmental Activities Debt	12	130
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(continued)

**DeSoto Parish School Board
Statistical Section
Contents**

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place.

Demographic and Economic Statistics
Principal Employers

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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the School Board's financial report relates to the services the School Board provides and the activities it performs.

School Building Information
School Personnel
Operating Statistics

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17 135
18 136

Other Information

Schedule of Insurance in Force

19 137

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report (CAFR) for the relevant year.

(concluded)

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Net Assets by Component
Fiscal Years Ended June 30, 2001 through June 30, 2007
(Accrual Basis of Accounting)

	2001	2002	2003	2004	2005	2006	2007
Governmental Activities							
Invested in capital assets, net of related debt	\$ 14,777,191	\$ 15,610,810	\$ 16,855,217	\$ 18,219,109	\$ 20,015,615	\$ 22,567,461	\$ 24,897,360
Restricted	1,660,858	1,405,847	1,303,333	2,418,302	2,891,266	4,298,179	6,753,530
Unrestricted	8,038,508	7,086,427	8,422,525	6,761,655	7,337,487	7,008,312	8,162,244
Total governmental activities net assets	<u>\$ 24,476,557</u>	<u>\$ 24,103,084</u>	<u>\$ 26,581,075</u>	<u>\$ 27,399,066</u>	<u>\$ 30,244,368</u>	<u>\$ 33,873,952</u>	<u>\$ 39,813,134</u>

Notes: GASB Statement No. 34 was implemented for the year ended June 30, 2001.

Table 2

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Changes in Net Assets
Fiscal Years Ended June 30, 2001 through June 30, 2007
(Accrual Basis of Accounting)

	2001	2002	2003	2004	2005	2006	2007
Expenses							
Instruction:							
Regular programs	\$ 11,858,980	\$ 14,383,330	\$ 14,046,017	\$ 15,152,359	\$ 15,238,864	\$ 15,425,304	\$ 17,553,777
Special programs	6,909,465	8,472,250	9,814,467	10,240,351	12,626,214	12,588,964	13,302,543
Adult/continuing education	209,246	195,978	261,945	107,739	115,452	105,807	133,419
Support services:							
Pupil support services	1,061,700	1,184,265	1,237,968	1,208,202	1,228,128	1,451,426	1,644,126
Instructional staff support	2,077,959	2,523,993	3,041,098	2,920,386	2,841,233	2,762,940	2,992,461
General administration	982,673	1,088,545	1,140,493	1,588,270	1,549,555	1,546,415	1,705,463
School administration	1,844,141	2,151,169	2,337,729	2,344,862	2,557,467	2,662,902	3,034,275
Business services	443,409	506,698	260,954	569,196	671,023	704,628	824,294
Plant services	4,584,882	4,776,157	4,980,762	3,926,626	3,984,059	4,379,507	4,630,717
Student transportation services	2,570,419	2,729,577	3,158,800	2,841,218	3,019,097	3,303,256	3,786,831
Central services	115,457	139,805	144,249	156,055	168,715	161,798	189,642
Food services	2,443,189	2,548,621	2,588,022	2,712,905	2,995,400	2,970,622	3,152,776
Community services	0	0	0	0	0	45,336	0
Interest on long-term debt	1,171,709	1,067,117	998,853	598,643	803,126	948,763	869,372
Total expenses	36,273,229	41,767,505	44,011,357	44,366,812	47,798,333	49,057,668	53,819,696
Program Revenues							
Charges for services:							
Special Programs	38,055	35,492	44,469	0	0	0	0
Food Service Operations	217,779	236,275	242,692	285,847	308,800	333,823	345,165
Operating Grants and Contributions	5,066,251	5,688,567	7,773,715	7,788,406	9,733,113	9,380,506	8,864,685
Total program revenues	5,322,085	5,960,334	8,060,876	8,074,253	10,041,913	9,714,329	9,209,850
Net (Expense) / Revenue	(30,951,144)	(35,807,171)	(35,950,481)	(36,292,559)	(37,756,420)	(39,343,339)	(44,609,846)
General Revenues and Other Changes in Net Assets							
Taxes							
Ad valorem taxes levied for general purposes	8,150,403	8,011,628	8,265,507	8,034,583	8,427,720	8,890,004	9,553,227
Ad valorem taxes levied for debt service purposes	1,883,090	1,784,924	1,939,027	1,858,337	2,818,816	3,133,086	3,305,724
Sales taxes levied for capital improvements	1,238,768	1,279,476	1,531,926	1,612,100	833,299	1,311,346	2,184,262
Sales taxes levied for salaries, benefits and general purposes	3,716,306	5,117,905	6,127,703	6,456,774	7,463,902	8,500,387	11,492,048
Grants and contributions not restricted to specific programs	17,765,947	18,532,206	19,835,099	19,070,398	19,950,107	21,154,677	22,335,975
Interest and investment earnings	695,705	342,424	210,284	153,895	503,548	1,128,030	1,188,346
Miscellaneous	410,243	365,135	518,926	315,262	604,330	(1,144,609)	489,446
Total	33,860,462	35,433,698	38,428,472	37,501,349	40,601,722	42,972,921	50,549,028
Change in Net Assets	\$ 2,909,318	\$ (373,473)	\$ 2,477,991	\$ 1,208,790	\$ 2,845,302	\$ 3,629,582	\$ 5,939,182

Notes: GASB Statement No. 34 was implemented for the year ended June 30, 2001.

Table 3

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved	6,197,923	5,094,490	5,553,406	7,778,346	7,328,748	7,344,026	6,062,882	6,088,080	5,893,616	5,899,760
Total general fund	<u>6,197,923</u>	<u>5,094,490</u>	<u>5,553,406</u>	<u>7,778,346</u>	<u>7,328,748</u>	<u>7,344,026</u>	<u>6,062,882</u>	<u>6,088,080</u>	<u>5,893,616</u>	<u>5,899,760</u>
All Other Governmental Funds										
Reserved	3,586,154	2,451,147	2,190,288	1,684,890	1,405,847	1,303,333	1,262,632	1,866,994	2,124,728	2,355,751
Unreserved, reported in:										
Special revenue funds	861,120	847,421	994,026	1,021,618	1,012,453	1,153,876	1,062,945	1,365,951	2,046,322	2,750,726
Capital projects funds	1,520,876	1,616,461	1,448,591	1,143,220	1,052,965	1,475,935	1,337,522	13,130,941	10,761,121	4,673,513
Total all other governmental funds	<u>5,968,150</u>	<u>4,915,029</u>	<u>4,632,905</u>	<u>3,849,728</u>	<u>3,471,265</u>	<u>3,933,144</u>	<u>3,663,099</u>	<u>16,363,886</u>	<u>14,932,171</u>	<u>9,779,990</u>

Table 4

DESOTO PARISH SCHOOL BOARD
Manville, Louisiana

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Ad valorem taxes	\$ 9,379,390	\$ 8,782,764	\$ 9,861,342	\$ 10,033,493	\$ 9,796,552	\$ 10,204,534	\$ 9,892,920	\$ 11,246,536	\$ 12,023,090	\$ 12,838,951
Sales & use taxes	5,270,947	5,572,154	4,969,660	4,955,074	6,397,381	7,659,629	8,068,874	8,297,201	9,811,733	13,076,310
Investment Earnings	649,739	647,778	674,223	695,705	342,424	205,204	143,031	434,552	1,024,184	993,455
Other Revenues	1,215,359	652,108	1,022,543	492,171	627,645	506,170	729,049	973,706	1,133,677	834,980
Total revenues from local sources	16,515,435	15,654,804	16,527,768	16,176,443	17,164,002	18,375,537	18,833,874	20,951,995	23,992,684	28,363,696
Revenue from state sources:										
Equalization	16,053,056	16,138,415	15,845,700	17,445,447	18,218,123	19,520,709	18,765,973	19,646,115	20,793,596	22,028,299
Other	1,343,511	1,581,725	1,244,519	1,234,466	1,231,024	1,332,459	1,272,798	1,731,134	2,223,850	1,930,126
Total revenue from state sources	17,396,567	17,720,140	17,090,219	18,679,913	19,449,147	20,853,168	20,038,771	21,377,249	23,017,446	23,958,425
Revenue from federal sources	3,555,321	3,763,317	3,954,091	4,326,191	4,780,883	6,979,898	6,820,033	8,305,971	7,517,737	7,242,235
Judgments	25,000	0	0	0	0	75,665	0	0	0	0
Total Revenues	37,492,323	37,138,261	37,572,078	39,182,547	41,394,032	46,484,268	45,692,678	50,635,215	54,527,867	59,564,356
Expenditures:										
Current										
Instruction services	17,608,820	19,322,338	19,016,460	18,746,301	22,311,843	24,312,281	24,758,911	26,811,616	26,921,281	29,504,417
Pupil support services	1,056,295	1,065,527	1,035,654	1,063,943	1,181,946	1,252,060	1,230,744	1,229,815	1,418,410	1,611,725
Instructional staff support	1,758,463	1,912,510	2,040,958	2,067,007	2,553,944	3,083,207	2,959,256	2,821,547	2,698,530	2,942,931
General administration	870,633	898,690	954,797	980,260	1,069,260	1,135,204	1,038,630	1,541,470	1,459,887	1,680,587
School administration	1,713,535	1,896,516	1,773,945	1,855,898	2,096,146	2,331,390	2,306,505	2,474,148	2,616,251	2,927,541
Business services	413,776	404,018	439,879	438,413	480,655	581,762	575,160	656,261	688,456	795,579
Plant services	3,036,721	3,210,512	3,003,458	3,201,451	3,354,931	3,590,400	3,929,504	3,951,660	4,359,839	4,567,788
Student transportation services	2,591,082	2,925,530	2,686,079	2,865,742	3,130,906	2,775,058	2,775,058	2,802,916	3,046,073	3,429,902
Food service	2,367,695	2,516,389	2,359,759	2,424,045	2,535,867	2,587,750	2,631,543	2,889,290	2,841,729	3,006,551
Central services	80,887	86,126	109,658	114,432	131,888	139,762	156,139	181,576	157,882	180,804
Community services	0	0	0	0	0	0	0	0	45,336	0
Capital Outlay	2,256,143	1,687,488	560,090	597,872	491,245	372,013	1,239,588	1,370,616	5,358,251	9,712,131
Debt service	1,521,446	1,455,171	1,265,549	1,197,420	1,097,875	933,208	656,225	647,726	987,059	892,437
Interest	1,729,000	1,914,000	2,069,000	2,188,000	1,935,000	2,090,000	2,211,000	2,327,000	2,478,000	2,668,000
Principal										
Total Expenditures	37,004,496	39,294,815	37,395,286	37,740,784	42,222,093	45,539,943	46,468,323	49,705,641	55,076,984	63,920,393
Excess of revenues over (under) expenditures	487,827	(2,156,554)	176,792	1,441,763	(828,061)	944,325	(775,645)	929,574	(549,117)	(4,356,037)
Other Financing Sources (Uses)										
Proceeds from borrowing	2,360,000	0	0	0	0	0	0	12,000,000	0	0
Proceeds from refunding	0	2,947,060	0	0	0	3,665,000	4,205,000	0	1,650,000	0
Payments to escrow agent	0	(2,947,060)	0	0	0	(3,665,000)	(4,245,784)	0	(1,650,000)	0
Transfers in	866,223	88,560	64,928	118,763	147,008	408,229	285,860	1,138,315	1,698,232	1,567,777
Transfers out	(866,223)	(88,560)	(64,928)	(118,763)	(147,008)	(408,229)	(285,860)	(1,138,315)	(1,698,232)	(1,567,777)
Total other financing sources (uses)	2,360,000	0	0	0	0	(467,168)	(775,541)	11,796,410	(1,077,064)	(790,000)
Net change in fund balances	\$ 2,847,827	\$ (2,156,554)	\$ 176,792	\$ 1,441,763	\$ (828,061)	\$ 477,157	\$ (1,551,186)	\$ 12,725,984	\$ (1,626,181)	\$ (5,146,037)
Debt service as a percentage of noncapital expenditures	9.4%	9.0%	9.1%	9.1%	7.3%	6.7%	6.3%	6.2%	7.0%	6.6%

Table 5

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property			Personal Property	Less: Homestead Exempt Property	Total Taxable		Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property								
1998	\$ 33,584,062	\$ 107,707,538	\$ 50,475,393	\$ 25,597,984	\$ 166,169,009	41.13	\$ 1,600,000,000	11.99%		
1999	33,471,808	107,347,527	50,306,679	26,331,061	164,794,953	41.16	1,648,000,000	11.60%		
2000	34,673,517	111,201,530	52,112,795	27,213,002	170,774,840	39.80	1,643,200,800	12.05%		
2001	34,573,260	110,879,998	51,962,114	28,493,946	168,921,426	44.30	1,645,128,100	12.00%		
2002	34,560,017	110,837,527	51,942,211	29,339,407	168,000,348	47.56	1,440,436,168	13.70%		
2003	35,153,595	112,741,190	52,834,332	30,817,819	169,911,298	47.56	1,450,240,000	13.84%		
2004	35,557,259	114,035,783	53,441,022	32,404,785	170,629,279	47.56	1,799,556,416	11.28%		
2005	59,504,951	98,322,204	47,215,983	33,441,125	171,602,013	48.56	1,832,435,444	11.19%		
2006	61,861,605	108,614,955	46,657,286	34,462,705	182,671,141	48.56	1,710,413,588	12.69%		
2007	64,236,108	112,666,610	48,076,717	35,462,783	189,516,652	49.55	1,790,844,660	12.56%		

Source: DeSoto Parish Tax Assessor Agency

Notes:

- (1) Property in the parish is reassessed every four years.
- (2) Assessed values are established by the Assessor each year on a uniform basis at the following ratios of assessed value to actual value:
 - 10% land
 - 10% residential improvements
 - 15% industrial improvements
 - 15% machinery
 - 15% commercial improvements
 - 25% public service properties, excluding land
 - 28% agricultural class property
- (3) Tax rates are per \$1,000 of assessed value.

Table 6

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended June 30	School District Direct Rate		Overlapping Rates		Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	DeSoto Parish Police Jury	City of Mansfield	
1998	41.13	114.50	14.66	16.57	186.86
1999	39.80	99.50	18.25	16.57	174.12
2000	44.30	99.00	16.75	16.57	176.62
2001	47.56	93.50	18.40	16.57	176.03
2002	47.56	92.50	18.40	16.82	175.28
2003	47.56	98.00	18.41	16.82	180.79
2004	47.56	96.50	18.41	16.82	179.29
2005	48.56	113.25	18.39	16.82	197.02
2006	48.56	113.00	18.39	16.82	196.77
2007	49.55	110.25	18.39	16.82	195.01

Source: DeSoto Parish Tax Assessor Agency

Notes:

- (1) School district debt service millage is for individual school districts.
- (2) The above schedule does not include water districts, fire districts, forestry districts, or levee districts.
- (3) Overlapping rates are those of city and parish governments that apply to property owners within DeSoto Parish. Not all overlapping rates apply to all property owners.

Table 7

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Principal Property Taxpayers
June 30, 2007 and Nine Years Ago

Taxpayer	Fiscal Year 2007				Fiscal Year 1998			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	
International Paper Co.	\$ 34,785,505	1	18.35 %		\$ 33,893,371	2	17.67 %	
Cleco Power, L.L.C.	26,197,235	2	13.82					
Southwestern Electric Power	25,508,875	3	13.46		31,510,209	3	16.43	
El Paso Production Company	9,679,807	4	5.11					
Winchester Production Company	8,515,116	5	4.49					
Dolet Hills Lignite Co. L.L.C.	3,865,033	6	2.04		4,233,610	4	2.21	
J-W Operating Co.	3,546,597	7	1.87					
Northeast Texas Electric	2,738,630	8	1.45		3,195,848	5	1.67	
BP America Production	2,549,442	9	1.35					
XTO Energy Inc.	2,394,121	10	1.26					
Central Louisiana Electric Co.	0		0.00		37,198,039	1	19.40	
South Central Bell	0		0.00		2,700,640	6	1.41	
Oklahoma Municipal Power	0		0.00		2,181,410	7	1.14	
Southern Natural Gas	0		0.00		1,931,510	8	1.01	
Sonat Exploration	0		0.00		1,461,706	9	0.76	
Louisiana Pacific	0		0.00		1,346,475	10	0.70	
Totals	\$ 119,780,361		63.20 %		\$ 119,652,818		62.40 %	

Source: DeSoto Parish Tax Assessor Agency

Table 8

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 9,139,055	\$ 8,786,688	96.14%	\$ 103,571	\$ 8,890,259	97.28%
1999	8,585,441	8,258,909	96.20%	35,904	8,294,813	96.61%
2000	9,654,706	9,577,462	99.20%	77,244	9,654,706	100.00%
2001	9,942,862	9,440,697	94.95%	37,180	9,477,877	95.32%
2002	9,747,208	9,392,571	96.36%	209,095	9,601,666	98.51%
2003	10,028,737	9,965,181	99.37%	63,556	10,028,737	100.00%
2004	9,656,305	9,497,701	98.36%	158,604	9,656,305	100.00%
2005	11,199,232	11,022,061	98.42%	62,949	11,085,010	98.98%
2006	12,072,270	11,780,059	97.58%	18,558	11,798,617	97.73%
2007	12,729,706	12,598,512	98.97%	N/A	12,598,512	98.97%

Source: DeSoto Parish Sheriff (ex-officio tax collector)

N/A - Information is not yet available.

Sales and Use Tax Rates and Collections - All Governments
Last Ten Fiscal Years

Fiscal Year	Sales and Use Tax Rates						Tax Collections					
	Parishwide			Municipalities			School Board	Parishwide		Municipalities		Total Collections
	School Board	Police Jury	Law Enforcement District	Mansfield	Other	Total Rate		Police Jury	Law Enforcement District (5)	Mansfield	Other	
1998	2.00%	1.00%		1.00%	3.00%	4.00%	\$ 5,270,947	\$ 2,591,823	\$ 0	\$ 721,383	\$ 235,472	\$ 8,819,625
1999	2.00%	1.00%		1.00%	3.00%	4.00%	5,572,154	2,786,415	0	760,193	324,501	9,443,263
2000	2.00%	1.00%		1.00%	3.00%	4.00%	4,969,660	2,478,680	0	744,160	294,298	8,486,798
2001	2.00%	1.00%		1.00%	3.00%	4.00%	4,955,074	2,453,442	0	743,018	301,348	8,452,882
2002	2.50%	1.00%		1.00%	3.00%	4.50%	6,166,690	2,511,673	0	769,526	288,619	9,736,508
2003	2.50%	1.00%		1.00%	3.00%	4.50%	7,281,919	2,914,812	0	778,128	304,461	11,279,320
2004	2.50%	1.00%		1.00%	3.00%	4.50%	7,833,361	3,141,382	0	751,352	257,921	11,984,016
2005	2.50%	1.00%	0.50%	1.00%	3.00%	5.00%	8,113,931	3,247,301	1,036,038	769,587	328,298	13,495,155
2006	2.50%	1.00%	0.50%	1.00%	3.00%	5.00%	9,635,507	3,858,636	1,903,864	878,337	357,982	16,634,326
2007	2.50%	1.00%	0.50%	1.00%	3.00%	5.00%	13,480,208	5,394,684	2,645,792	1,024,391	469,773	23,014,847

(1) Information provided by DeSoto Parish Sales and Use Tax Commission.

(2) Total rate represents the maximum amount that may be assessed by local taxing authorities. These rates do not include the state sales and use tax rate.

(3) The Municipalities - Other column includes 1% each for Logansport, South Mansfield, and Stonewall. New sales and use tax levies of 1% each for Grand Cane and Keatchi were effective January 1, 1997.

(4) Sales tax collections reported by the DeSoto Sales and Use Tax Commission are on the cash basis.

(5) The Law Enforcement District is a new sales and use tax levy of 1/2% effective 10/1/2004.

Table 10

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Sales Tax Revenue Bonds	Total Bonds Outstanding	Percentage of Personal Income		Per Capita
1998	\$ 27,430,000	\$ 202,000	\$ 27,632,000	5.60%	\$	979
1999	25,755,000	212,000	25,967,000	5.07%		953
2000	23,700,000	198,000	23,898,000	4.50%		855
2001	21,525,000	185,000	21,710,000	3.95%		786
2002	19,605,000	170,000	19,775,000	3.48%		720
2003	17,630,000	155,000	17,785,000	3.03%		641
2004	15,525,000	139,000	15,664,000	2.58%		555
2005	22,960,000	122,000	23,082,000	3.69%		880
2006	20,825,000	104,000	20,929,000	3.25%		793
2007	18,425,000	86,000	18,511,000	2.79%		701

Notes:

- (1) Details regarding the School Board's outstanding debt can be found in the notes to the financial statements.
- (2) General Obligation Bonds column excludes certificates of indebtedness.
- (3) See the Schedule of Demographic and Economic Statistics for personal income and population data (Table 14).

Table 11

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of	
				Estimated Actual Taxable Value of Property	Per Capita
1998	\$ 27,430,000	\$ 2,761,828	\$ 24,668,172	1.54%	\$ 971
1999	25,755,000	2,389,414	23,365,586	1.42%	945
2000	23,700,000	2,149,496	21,550,504	1.31%	847
2001	21,525,000	1,660,858	19,864,142	1.21%	779
2002	19,605,000	1,405,847	18,199,153	1.26%	714
2003	17,630,000	1,303,333	16,326,667	1.13%	635
2004	15,525,000	1,239,870	14,285,130	0.79%	550
2005	22,960,000	1,849,935	21,110,065	1.15%	805
2006	20,825,000	2,098,334	18,726,666	1.09%	710
2007	18,425,000	2,333,147	16,091,853	0.90%	610

Notes:

- (1) Details regarding the School Board's outstanding debt can be found in the notes to the financial statements.
- (2) General Obligation Bonds column excludes sales tax bonds and certificates of indebtedness.
- (3) See the Schedule of Demographic and Economic Statistics for personal income and population data (Table 14).

Table 12

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Direct and Overlapping Governmental Activities Debt
As of June 30, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
DeSoto Parish Police Jury	\$ 4,418,069	100.00%	\$ 4,418,069
City of Mansfield	755,000	100.00%	755,000
Subtotal, overlapping debt			<u>5,173,069</u>
DeSoto Parish School Board Direct Debt			<u>20,276,000</u>
Total direct and overlapping debt			<u>\$ 25,449,069</u>

Sources: Debt outstanding data extracted from annual financial report of respective governments.

Notes:

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School Board. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School Board.
- (2) Various tax districts exist within DeSoto Parish that involve a small percentage of parish taxpayers. These districts' debt is not included as the amounts and impact on this schedule is not significant.
- (3) Debt outstanding includes all general bonded debt, certificates of indebtedness, and sales tax bonds.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Legal Debt Margin Information
Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	\$ 66,996,477	\$ 66,758,648	\$ 69,154,551	\$ 68,955,909	\$ 68,942,015	\$ 70,164,163	\$ 70,987,859	\$ 71,677,035	\$ 75,996,846	\$ 78,742,802
Total net debt applicable to limit	20,828,310	19,744,170	18,380,260	16,759,142	16,695,000	14,925,000	13,040,000	21,110,065	18,726,666	16,091,853
Legal debt margin	\$ 46,168,167	\$ 47,014,478	\$ 50,774,291	\$ 52,196,767	\$ 52,247,015	\$ 55,239,163	\$ 57,947,859	\$ 50,566,970	\$ 57,270,180	\$ 62,650,949
Total net debt applicable to the limit as a percentage of debt limit	31.09%	29.58%	26.58%	24.30%	24.22%	21.27%	18.37%	29.45%	24.64%	20.44%

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value	\$ 189,516,652
Add back: exempt real property	35,462,783
Total assessed value	<u>224,979,435</u>
Debt limit (35% of total assessed value)	78,742,802
Debt applicable to limit:	
General Obligation bonds	18,425,000
Less: Amount set aside for repayment of general obligation debt	<u>2,333,147</u>
Total net debt applicable to limit	<u>16,091,853</u>
Legal debt margin	<u>\$ 62,650,949</u>

Notes:

(1) The debt limit is 35% of total assessed value. This percentage is in accordance with Act 103 or 1980 Regular Session of the Louisiana Legislature R.S. 39:562 (C).

Table 14

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population	Per Capita		School Enrollment	Percentage on Free & Reduced Meals		Unemployment Rate
		Personal Income	Personal Income				
1998	25,406	\$ 493,809,000	\$ 19,437	5,171	N/A	N/A	6.2 %
1999	24,735	512,609,500	20,724	5,195	N/A	N/A	6.7
2000	25,436	531,410,000	20,892	5,095	N/A	N/A	6.4
2001	25,494	550,210,500	21,582	4,992	N/A	N/A	6.6
2002	25,496	569,011,000	22,318	4,810	N/A	N/A	7.7
2003	25,708	587,811,500	22,865	4,840	N/A	N/A	10.9
2004	25,990	606,612,000	23,340	5,003	N/A	N/A	10.5
2005	26,231	625,412,500	23,842	5,058	N/A	N/A	7.5
2006	26,383	644,213,000	24,418	5,016	N/A	N/A	5.5
2007	26,390	663,013,500	25,124	5,008	63.12 %		5.5

Sources:

- (1) Population and personal income data obtained from the U. S. Census Bureau.
- (2) School enrollment and free and reduced meals data obtained from Louisiana Department of Education.
- (3) Unemployment rate obtained from U. S. Department of Labor.

Table 15

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Principal Employers
Current Year

	Number of Employees	% of Total Employment
DeSoto Parish School Board	760	7.01%
International Paper Company	525	4.84%
Georgia Pacific	327	3.01%
Dolet Hills Lignite Co.	186	1.71%
DeSoto Regional Health System	185	1.71%
Hendrix Manufacturing Co.	126	1.16%
Dolet Hills Power Plant	100	0.92%
Wal-Mart	78	0.72%
DeSoto Parish Police Jury	77	0.71%
MB Industries	60	0.55%

Source: DeSoto Parish Chamber of Commerce

Notes:

- (1) Principal employers information was not available for nine years ago.
- (2) Employment data obtained from U. S. Department of Labor.

Table 16

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

School Building Information

June 30, 2007

Form of Government: Parish School Board
Geographic Area: 879 Square Miles
Population: 26,390
Public School Enrollment: 5,008

Instructional Sites	Date Constructed	School District	Grades Taught	Capacity Sq. Ft.	Acreage	No. of Rated Classrooms	Student Capacity
High Schools:							
DeSoto Alternative	1998	#4	9-12	16,480	4.20	6	90
Logansport	1992	#1	Pre K-12	124,197	53.47	64	990
Mansfield	1959	#4	9-12	87,406	27.34	50	750
North DeSoto	1982	#2	9-12	143,872	37.57	43	700
Pelican	1992	#5	Pre K-12	48,799	42.73	24	400
Stanley	1991	#3	Pre K-12	62,540	40.00	30	500
Middle Schools:							
Mansfield	1994	#4	Pre K-8	216,878	140.30	110	1,800
North DeSoto	2007	#2	6-8	75,178	41.56	30	900
Elementary Schools:							
North DeSoto PK-2	1988	#2	Pre K-2	75,782	20.00	45	720
North DeSoto 3-5	1994	#2	3-5	70,078	15.00	32	650
Adult Ed.	1975	#4	Age 16+	7,200	0.50	3	62
Total Instructional Sites				928,410	422.67	437	7,562
Non-Instructional Sites							
Central Office	1956	1	Capacity Sq. Ft.	5,287	Acreage	No. of Rated Rooms	
Food Service Office	1956	1		4,000	0.30	4	
Maintenance	1965	2		13,600	1.74	6	
Instructional Materials Center	1969	1		14,950	3.36	18	
Textbook Warehouse	1981	1		9,200	0.25	2	
Special Services Building	1981	1		9,600	1.15	15	
Total Non-Instructional Sites				56,637	7.93	61	

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

School Personnel

Fiscal Years Ended June 30, 2002 Through June 30, 2007

	2002	2003	2004	2005	2006	2007
Teachers						
Less than a Bachelor's degree	0	0	0	0	3	4
Bachelor	277	276	291	274	265	267
Master	53	58	52	56	66	68
Master +30	25	25	26	23	20	19
Specialist in Education	3	2	3	3	3	3
Ph.D or Ed.D	1	2	2	1	1	2
Total	359	363	374	357	358	363
Principals & Assistants						
Bachelor	1	1	1	1	3	3
Master	12	10	11	11	11	11
Master +30	11	14	12	12	11	10
Specialist in Education	0	0	0	0	0	0
Ph.D or Ed.D	0	0	0	0	0	0
Total	24	25	24	24	25	24

Source: Agreed upon procedures report on performance and statistical data accompanying the annual financial statements.

Notes:

- (1) The agreed upon procedures report on performance and statistical data is available only for the fiscal years ended June 30, 2002 through 2007.

Table 18

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Operating Statistics

For the Fiscal Years Ended June 30, 2002 through June 30, 2007

Fiscal Year Ended June 30	Expenses	PreK - 12 Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio
2002	\$ 41,767,505	5,092	\$ 8,203	0	359	14.18
2003	44,011,357	5,065	8,689	5.93%	363	13.95
2004	44,366,812	5,003	8,868	2.06%	374	13.38
2005	47,798,333	5,058	9,450	6.56%	357	14.17
2006	49,057,668	5,016	9,780	3.49%	358	14.01
2007	58,803,809	5,024	11,705	19.68%	363	13.84

Notes:

- (1) This information is presented for 2002 and thereafter because the teaching staff information is extracted from the agreed upon procedures report on performance and statistical data which is available only for the fiscal years ended June 30, 2002 through 2007.
- (2) Expenses are on full accrual and is extracted from Table 2, Changes in Net Assets.
- (3) Enrollment is extracted from Table 14, Demographic and Economic Statistics.
- (4) Teaching staff is extracted from Table 17, School Personnel.

Table 19

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Schedule of Insurance in Force
June 30, 2007

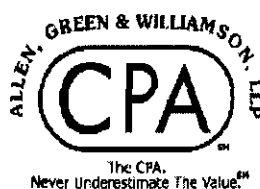
Type of Coverage/ Name of Company	Policy Number	Policy Period From To	Details of Coverage and Coinsurance	Coverage Limits	Premium
Property damage RSUI Indemnity Co.	NHD341406	10/1/2006 9/30/2007	Blanket Coverage- all property \$100,000 deductible Includes EDP coverage	\$ 85,953,799	\$ 143,958
Property loss and damage C.N.A.	BM1098616439	10/1/2006 9/30/2007	Boilers and electric motors \$2,500 deductible	6,000,000	8,228
General Liability LARMA	LA110-D	10/1/2006 9/30/2007	All property and employees \$25,000 deductible per occur	1,000,000 per occurrence 3,000,000 aggregate	63,128
Auto/Fleet LARMA	LA110-D	10/1/2006 9/30/2007	Specified vehicles \$2,500 deductible (comp) \$2,500 deductible (collision) \$5,000 medical payments/person \$50,000 per occurrence	1,000,000 liability w/ 10,000 deductible	102,424
Public Employees Blanket Bond Great American	GVT554410202	10/1/2006 9/30/2007	All school board employees \$2,500 deductible	100,000	3,086
EDP and Musical Instruments RSUI Indemnity Co.	See property	10/1/2006 9/30/2007	Blanket coverage- all property \$5,000 deductible	3,855,778	Included in property
School Board Legal Liability LARMA	LA110-D	10/1/2006 9/30/2007	Errors and omissions coverage \$25,000 deductible	1,000,000	19,049
Workers Compensation Midwest Employers Casualty	EWC006532	7/1/2006 6/30/2007	Blanket coverage - all employees Self-insured retention \$200,000	1,000,000	40,778

**DeSoto Parish School Board
Mansfield, Louisiana**

**Compliance with Single Audit Act Amendment of 1996
And Other Information
For the Year Ended June 30, 2007**

**DeSoto Parish School Board
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Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the DeSoto Parish School Board as of and for the year ended June 30, 2007, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated November 7, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School Board's financial statements that is more than inconsequential will not be prevented or detected by the School Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School Board's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

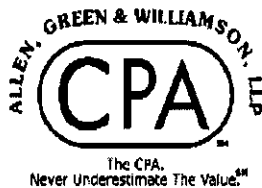
As part of obtaining reasonable assurance about whether the School Boards' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board, others within the School Board, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 7, 2007



ALLEN, GREEN & WILLIAMSON, LLP

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Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

Compliance

We have audited the compliance of DeSoto Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

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A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the School Board as of and for the year ended June 30, 2007, and have issued our report thereon dated November 7, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board, others within the School Board, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 7, 2007

**DeSoto Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>Number</u>	<u>CFDA Grantor No.</u>	<u>Pass- Through Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
School Breakfast Program	10.553	N/A	\$ 369,395
National School Lunch Program	10.555	N/A	<u>1,131,721</u>
Total United States Department of Agriculture			<u>1,501,116</u>
Passed Through Louisiana Department of Education:			
Adult Education – State-Administered			
Basic Grant Program	84.002A	28-06-44-16 28-07-23-16 28-07-44-16	62,930
Title I Grants to Local Educational Agencies			
Basic Grant Program	84.010A	28-05-TS-16 28-06-TA-16 28-07-T1-16	1,967,297
Special Education:			
State Grants – Part B	84.027A	07-BI-16 28-06-PD-16 28-06-SD-16 28-06-SO-16	1,110,755
Preschool Grants	84.173A	07-PI-16	41,683
Vocational Education:			
Basic Grants to States	84.048	28-06-02-16-C TP2006-07 28-07-02-16	101,942
Innovative Education Program			
Strategies – Title V	84.298A	28-07-80-16	12,701
Eisenhower Professional Development			
Title II Math & Science	84.366B	2805MP-16 2086MC-16	148,909
Improving Teacher Quality (Title II)	84.367A	28-07-50-16	453,541
Reading First State Grants	84.357A	28-05-RF-16 28-05-RS-16 28-06-RF-16C 28-06-RS-16	1,161,142

**DeSoto Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>Number</u>	<u>CFDA Grantor No.</u>	<u>Pass- Through Expenditures</u>
English Language Acquisition Grant (Title III)	84.365A	28-06-S3-16 28-07-60-16	\$ 19,215
Technology Literacy Challenge	84.318X	28-06-03-16 28-06-49-16 28-06-49-16C 28-07-49-16	69,390
Coordinated School Health Pilot	84.184S	646495	22,486
Title IV (Safe and Drug-Free Schools)	84.186A	28-07-70-16	34,421
5,277 HERA – Assistance for Homeless Youth	84.398B	28-06-IH-16	<u>5,277</u>
Total United States Department of Education			<u>5,211,689</u>
United States Department of Health and Human Services			
Passed Through the Louisiana Department of Education:			
Payments to States for Child Care Assistance			
Temporary Assistance for Needy Families (TANF)	93.558	28-07-EP-16 280635-16C 280735-16	<u>330,742</u>
Total United States Department of Health and Human Services			<u>330,742</u>
United States Department of Defense			
Jr. ROTC	12.UKN		<u>84,457</u>
United States Department of Labor			
Passed Through LTC Shreveport – Bossier:			
WIA Youth Activities	17.259	PY0770W1A4	<u>8,000</u>
TOTAL CASH FEDERAL AWARDS			<u>7,136,004</u>

NONCASH FEDERAL AWARDS

United States Department of Agriculture			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Distribution Program (Commodities)	10.550	N/A	<u>106,231</u>
TOTAL NONCASH FEDERAL AWARDS			<u>106,231</u>
TOTAL FEDERAL AWARDS			<u>\$7,242,235</u>

DeSoto Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the DeSoto Parish School Board, Mansfield, Louisiana. The DeSoto Parish School Board (the "School Board") reporting entity is defined in Note 1 to the School Board's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the School Board's financial statements as follows:

<u>General Fund</u>	\$ 84,457
Special Revenue:	
Educational Consolidation & Improvement Act - Title I	1,967,297
Improving Teacher Quality - Title II	671,840
Literacy Challenge - Title III	19,215
Safe and Drug Free Schools - Title IV	34,421
Innovation Education - Title V	12,701
Emergency Aid for Displaced Students	5,277
Special Education	1,152,438
Early Childhood Programs	328,709
Adult Education	64,963
School Food Service	1,607,347
Vocational Education	101,942
Workforce Investment Act	8,000
School Health Pilot Program	22,486
Reading First	<u>1,161,142</u>
Total	<u>\$7,242,235</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**DeSoto Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007**

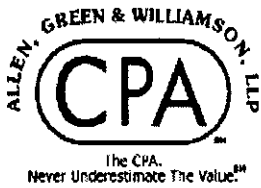
PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance considered material to the financial statements, as defined by the Government Auditing Standards.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by OMB Circular A-133.
- v. The type of report the auditor issued on compliance of major federal awards was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal awards are:
 - Special Education Cluster:
 - CFDA # 84.027A State Grants – Part B
 - CFDA # 84.173A Preschool Grants
 - CFDA # 84.357A Reading First State Grants
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of DeSoto Parish School Board, Mansfield, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

Total General Fund Instructional Expenditures,
Total General Fund Equipment Expenditures,
Total Local Taxation Revenue,
Total Local Earnings on Investment in Real Property,
Total State Revenue in Lieu of Taxes,
Nonpublic Textbook Revenue, and
Nonpublic Transportation Revenue.

Comment: One exception was noted. An expenditure was coded to the 630 object code with a function code of 1430. Per the LAUGH handbook the 630 object code should be used only with function code 3100.

Management's Response: Disbursements will be coded to the 630 object code only with the 3100 function code.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

Comment: Five employees included in the teacher count spend less than 50% of their minutes in that function. One of these employees should have been included in the assistant principal classification instead of the classroom teacher classification.

Management's Response: The computer programmer was notified to make changes to the program to report only employees with 50% or more minutes as classroom teachers.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555)

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Comment: One exception was noted where \$132 stipend was included in the base wage.

Management's Response: This exception noted was changed to exclude the stipend from the base wage.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Comment: No exceptions were noted as a result of applying the agreed upon procedure.

Class Size Characteristics Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of ten classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Louisiana Educational Assessment Program (LEAP) for the 21st century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

The Iowa Tests(Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the DeSoto Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Allen, Green & Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 30, 2007

Schedule 1-a

DeSoto Parish School Board
General Fund Instructional and Support Expenditures
2006 - 2007

	<u>Data</u>
General Fund Instructional and Equipment Expenditures	
General Fund Instructional Expenditures:	
Teacher and Student Interaction Activities:	
Classroom Teacher Salaries	\$15,129,479
Other Instructional Staff Activities	1,738,377
Employee Benefits	7,008,567
Purchased Professional and Technical Services	119,642
Instructional Materials and Supplies	945,805
Instructional Equipment	<u>26,627</u>
Total Teacher and Student Interaction Activities	\$24,968,497
Other Instructional Activities	\$482,890
Pupil Support Activities	\$1,312,527
Less: Equipment for Pupil Support Activities	<u>-9,139</u>
Net Pupil Support Activities	1,303,388
Instructional Staff Services	\$2,057,602
Less: Equipment for Instructional Staff Services	<u>-8,684</u>
Net Instructional Staff Services	\$2,048,918
School Administration	2,927,541
Less: Equipment for School Administration	<u>-21,056</u>
	<u>2,906,485</u>
Total General Fund Instructional Expenditures	\$31,710,178
Total General Fund Equipment Expenditures	\$65,506

Note: This schedule includes general fund instructional and equipment expenditures. This data is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 1-b**DeSoto Parish School Board
Certain Local Revenue Sources
2006 - 2007**

	<u>Data</u>
Certain Local Revenue Sources	
Local Taxation Revenue:	
Constitutional Ad Valorem Taxes	\$857,477
Renewable Ad Valorem Tax	8,459,072
Debt Service Ad Valorem Tax	3,305,726
Up to 1% of Collections by the Sheriff on Taxes Other than School T	236,679
Sales and Use Taxes	<u>13,676,310</u>
Total Local Taxation Revenue	<u>\$26,535,264</u>
Local Earnings on Investment in Real Property:	
Earnings from 16th Section Property	\$109,818
Earnings from Other Real Property	<u>111,795</u>
Total Local Earnings on Investment in Real Property	<u>\$221,613</u>
State Revenue in Lieu of Taxes:	
Revenue Sharing - Constitutional Tax	\$27,393
Revenue Sharing - Other Taxes	270,257
Revenue Sharing - Excess Portion	0
Other Revenue in Lieu of Taxes	<u>0</u>
Total State Revenue in Lieu of Taxes	<u>\$297,650</u>
State Revenues for Non Public Education	
Nonpublic Textbook Revenue	\$5,181
Nonpublic Transportation Revenue	<u>0</u>
Total State Revenue for Non Public Education	<u>\$5,181</u>

Note: This schedule includes local taxation revenue, earnings on investments, revenue in lieu of taxes, and non public textbook and transportation revenue. This data is used in the Minimum Foundation Program (MFP) formula.

Schedule 2

DeSoto Parish School Board
Education Levels of Public School Staff
as of October 1, 2006

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Un-certificated		Certificated		Un-certificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	4	1.10%	0	0.0%	0	0.00%	0	0.0%
Bachelor's Degree	267	73.55%	0	0.0%	3	12.50%	0	0.0%
Master's Degree	68	18.73%	0	0.0%	11	45.83%	0	0.0%
Master's Degree + 30	19	5.23%	0	0.0%	10	41.67%	0	0.0%
Specialist in Education	3	0.83%	0	0.0%	0	0.00%	0	0.0%
Ph.D. or Ed.D.	2	0.55%	0	0.0%	0	0.00%	0	0.0%
Total	363		0		24		0	

Note:

(1) This schedule provides the number and percentage of full time classroom teachers, differentiating those having a teaching certificate and those without a teaching certificate, as well as, the number and percentage of full time classroom teachers and the number and percentages of principals and asst. principals with education levels.

(2) Full-Time Classroom Teachers, employed as of October 1, are defined with LAUGH guidelines as having an Object Code of 112 and an accompanying function code within the 1000 series and assigned teaching responsibilities that comprise more than 50% of the individual duties.

(3) Principals and assistant principals, employed as of October 1, are defined in accordance with LAUGH guidelines as having an object code of 111 with an accompanying function code of 2410 and 2420. These employees are concerned with directing and managing the operation of a particular school. If the principal or asst. principal is also assigned teaching responsibilities that comprise more than 50% of his or her duties, then the principal should be included in the count as a classroom teacher.

(4) Certificated Teachers / Principals / Assistant Principals: Teaching certificates are issued to those qualified professionals authorized to teach or perform designated duties in the schools under the jurisdiction of the Louisiana State Board of Elementary and Secondary Education based on their completion of an approved teacher education program and all other legal requirements. These requirements are referred to in Bulletin 746 published by the Louisiana Department of Education.

Schedule 3

**DeSoto Parish School Board
Number and Type of Public Schools
as of and for the year ended June 30, 2007**

	<u>Number</u>
Elementary Schools	4
Middle/Junior High Schools	2
High Schools	4
Combination Schools	<u>3</u>
Total	13

Note:

- (1) This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently report to the Louisiana Legislature in the Annual Financial and Statistical Report (AFSR).
- (2) Elementary School - Any school whose grade structure falls within the range PK-8 and does not fit the definition for Middle/Junior High School.
- (3) Middle/Junior High School - Any school whose grade structure within the range 4-9, includes grades 7 or 8, and excludes PK-3 and 10-12.
- (4) High School - Any school whose grade structure falls within the range 6-12 and includes grades in 10-12 range, or any school that includes only grade 9.
- (5) Combination School - Any school whose grade structure falls within the range PK-12 and is not described by any of the above definitions. These schools generally contain some grades in the K-6 range and some grades in the 9-12 range. Examples include grade structures such as K-12; K-3 plus 9-12; and 4-6 plus 9-12. Non-graded schools (schools with no grade structure) are also considered combination schools.

Schedule 4

DeSoto Parish School Board
Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers
as of October 1, 2006

Category	Total Years Experience							Total
	0-1	2-3	4-10	11-14	15-19	20-24	25 +	
Assistant Principals	0	0	2	1	1	3	5	12
Principals	0	0	1	0	5	2	4	12
Classroom Teachers	37	28	99	53	49	36	61	363
Total	37	28	102	54	55	41	70	387

Note:

- (1) This schedule includes the number of public school principals, assistant principals and full time classroom teachers grouped by varying years of experience in the teaching profession. Selective criteria for employees reported on this schedule are (a) be employed as of October 1, (2) have job responsibilities within their assigned classification that comprise more than 50% of the individual's job duties, and (3) meet the definitions contained within the Louisiana Accounting and Uniform Governmental Handbook (LAUGH) for their respective job classification.
- (2) Principals and assistant principals, employed as of October 1, are defined in accordance with LAUGH guidelines as having an object code of 111 with an accompany function code of 2410 and 2420. These employees are concerned with directing and managing the operation of a particular school. If the principal or assistant principal is also assigned teaching responsibilities that comprise more than 50% of his or her duties, then the principal should be included in the count as a classroom teacher.

Schedule 5

**DeSoto Parish School Board
Public School Staff Data: Average Salaries
as of and for the year ended June 30, 2007**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teacher's Salary Including Extra Compensation	\$45,113.59	\$44,929.04
Average Classroom Teacher's Salary Excluding Extra Compensation	\$44,392.56	\$44,210.71
Number of Teacher Full Time Equivalents (FTEs) used in Computation of Average Salaries	357.70	349.72

Note:

- (1) This schedule depicts the full time equivalent (FTE) and calculated average salaries (with and without extra compensation) for all classroom teachers and for all classroom teachers excluded ROTC and rehired retirees. The schedule reflects district staff data reported to the Louisiana Department of Education in the End-of-Year Profile of Education Personnel (PEP) Report, which is subsequently reported to the Legislature in the Annual Financial and Statistical Report (AFSR). The data excludes day-to-day substitutes and temporary employees.

Schedule 6

DeSoto Parish School Board
Class Size Characteristics
as of October 2, 2006

Category	Class Size Range							
	1 - 20		21 - 26		27 - 33		34 +	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	37.9%	169	55.4%	247	5.2%	23	1.6%	7
Elementary Activity Classes	34.8%	32	39.1%	36	10.9%	10	15.2%	14
Middle / Jr. High	17.4%	47	50.4%	136	29.3%	79	3.0%	8
Middle / Jr. High Activity Classes	23.9%	11	45.7%	21	26.1%	12	4.3%	2
High	73.9%	476	14.0%	90	11.8%	76	0.3%	2
High Activity Classes	86.3%	101	5.1%	6	4.3%	5	4.3%	5
Combination	83.2%	233	16.4%	46	0.4%	1	0.0%	0
Combination Activity Classes	63.0%	17	18.5%	5	3.7%	1	14.8%	4

Note:

The Louisiana Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

Schedule 7-a

DeSoto Parish School Board
Louisiana Educational Assessment Program (LEAP 21) for the 21st Century
as of and for the year ended June 30, 2007

4th Grade Students	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	4	1.0%	2	0.5%	3	0.7%	6	1.5%	7	1.9%	3	0.7%
Mastery	63	15.3%	43	11.5%	49	11.0%	28	6.8%	49	13.1%	22	4.9%
Basic	178	43.3%	181	48.5%	177	39.7%	172	42.0%	140	37.5%	176	39.5%
Approaching Basic	114	27.7%	83	22.3%	143	32.1%	120	29.3%	101	27.1%	131	29.4%
Unsatisfactory	52	12.7%	64	17.2%	74	16.6%	84	20.5%	76	20.4%	114	25.6%
Total	411		373		446		410		373		446	

4th Grade Students	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	6	1.5%	2	0.5%	9	2.0%	4	1.0%	3	0.8%	2	0.4%
Mastery	44	10.7%	41	11.0%	40	9.0%	38	9.3%	31	8.3%	20	4.5%
Basic	156	38.0%	150	40.2%	192	43.0%	195	47.6%	188	50.4%	173	38.8%
Approaching Basic	154	37.6%	128	34.3%	164	36.8%	116	28.3%	90	24.1%	143	32.1%
Unsatisfactory	50	12.2%	52	13.9%	41	9.2%	57	13.9%	61	16.4%	108	24.2%
Total	410		373		446		410		373		446	

Note:

- (1) This schedule represents student performance testing data and district summary scores for grade 4 in English Language Arts, Mathematics, Science, and Social Studies.

Schedule 7-b

DeSoto Parish School Board
Louisiana Educational Assessment Program (LEAP 21) for the 21st Century
as of and for the year ended June 30, 2007

8th Grade Students	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	1	0.3%	11	3.0%	3	0.7%	13	3.5%	9	2.3%	7	1.7%
Mastery	40	10.8%	39	10.6%	49	11.9%	19	5.1%	13	3.3%	24	5.8%
Basic	181	49.1%	151	40.9%	157	38.2%	156	42.3%	183	46.6%	188	45.4%
Approaching Basic	116	31.4%	133	36.0%	133	32.4%	105	28.5%	96	24.4%	92	22.2%
Unsatisfactory	31	8.4%	35	9.5%	69	16.8%	76	20.6%	92	23.4%	103	24.9%
Total	369		369		411		369		393		414	

8th Grade Students	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	1	0.3%	2	0.5%	2	0.5%	2	0.5%	4	1.1%	3	0.8%
Mastery	25	6.8%	31	8.5%	44	11.1%	34	9.2%	28	7.7%	31	7.8%
Basic	146	39.6%	118	32.4%	148	37.4%	175	47.4%	161	44.1%	174	43.9%
Approaching Basic	120	32.5%	143	39.3%	113	28.5%	95	25.7%	99	27.1%	83	21.0%
Unsatisfactory	77	20.9%	70	19.2%	89	22.5%	63	17.1%	73	20.0%	105	26.5%
Total	369		364		396		369		365		396	

Note:

- (1) This schedule represents student performance testing data and district summary scores for grade 8 in English Language Arts, Mathematics, Science, and Social Studies.

Schedule 8

DeSoto Parish School Board
The Graduation Exit Examination for the 21st Century (GEE 21)
as of and for the year ended June 30, 2007

10th & 11th Grade Students	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	2	0.7%	4	1.3%	1	0.4%	17	5.6%	11	3.6%	16	5.3%
Mastery	15	5.0%	27	8.8%	33	11.7%	37	12.2%	32	10.4%	51	16.8%
Basic	123	40.6%	137	44.5%	154	54.8%	122	40.3%	143	46.3%	124	40.9%
Approaching Basic	94	31.0%	91	29.5%	73	26.0%	52	17.2%	71	23.0%	50	16.5%
Unsatisfactory	69	22.8%	49	15.9%	20	7.1%	75	24.8%	52	16.8%	62	20.5%
Total	303		308		281		303		309		303	

10th & 11th Grade Students	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	4	1.6%	3	1.1%	1	0.4%	4	1.6%	0	0.0%	0	0.0%
Mastery	22	8.5%	22	7.9%	30	10.5%	11	4.3%	8	2.9%	13	4.6%
Basic	101	39.1%	104	37.1%	111	38.9%	115	44.6%	149	53.2%	129	45.3%
Approaching Basic	72	27.9%	106	37.9%	85	29.8%	63	24.4%	73	26.1%	90	31.6%
Unsatisfactory	59	22.9%	45	16.1%	58	20.4%	65	25.2%	50	17.9%	53	18.6%
Total	258		280		285		258		280		285	

Note:

This schedule represents student performance testing data and district summary scores for grades 10 and 11 in English Language Arts, Mathematics, Science, and Social Studies.

Schedule 9-a

DeSoto Parish School Board
The Iowa Tests
as of and for the year ended June 30, 2005

	Composite					
					2005	
			Number	Percent	Number	Percent
Test of Basic Skills (ITBS)						
Grade 3					332	51.0%
Grade 5					312	60.0%
Grade 6					407	41.0%
Grade 7					412	47.0%
Tests of Educational Development (ITED)						
Grade 9					455	43.0%

NOTE:

The summary score reported is the National Percentile Rank, showing relative position or rank as compared to a large representative sample of students in the same grade from the entire nation.

2005 was the last year of Iowa testing. From 2006 onwards, iLEAP has taken its place. The above scores are the Iowa composite scores for 2005. iLEAP scores for 2006 and 2007 are shown on Schedules 9b and 9c.

DeSoto Parish School Board
ILEAP Tests
as of and for the year ended June 30, 2007

3rd Grade Students	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	4	1.1%	4	1.08%			9	2.4%	11	2.96%		
Mastery	39	10.6%	48	12.94%			36	9.8%	56	15.09%		
Basic	122	33.1%	154	41.51%			132	35.8%	150	40.43%		
Approaching Basic	117	31.7%	100	26.95%			95	25.7%	102	27.49%		
Unsatisfactory	65	17.6%	65	17.52%			75	20.3%	52	14.02%		
Total	347		371				347		371			

3rd Grade Students	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	8	2.2%	6	1.62%			12	3.3%	7	1.89%		
Mastery	32	8.7%	28	7.55%			38	10.3%	50	13.48%		
Basic	133	36.0%	155	41.78%			139	37.7%	162	43.67%		
Approaching Basic	117	31.7%	148	39.89%			86	23.3%	98	26.42%		
Unsatisfactory	57	15.4%	34	9.16%			72	19.5%	54	14.56%		
Total	347		371				347		371			

Note:

These schedules represent student performance testing data and District Achievement Level results for grade 3 in English Language Arts, Mathematics, Science, and Social Studies.

2005 was the last year of Iowa testing. From 2006 onwards, iLEAP has taken its place.

Schedule 9-c

DeSoto Parish School Board
iLEAP Tests
as of and for the year ended June 30, 2007

5th Grade Students	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	5	1.4%	6	1.81%			8	2.2%	12	3.61%		
Mastery	47	12.7%	48	14.46%			21	5.7%	23	6.93%		
Basic	127	34.4%	137	41.27%			138	37.4%	164	49.40%		
Approaching Basic	56	15.2%	75	22.59%			55	14.9%	63	18.98%		
Unsatisfactory	40	10.8%	66	19.88%			53	14.4%	70	21.08%		
Total	275		332				275		332			

5th Grade Students	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	10	2.7%	7	2.11%			11	3.0%	14	4.22%		
Mastery	43	11.7%	42	12.65%			45	12.2%	33	9.94%		
Basic	125	33.9%	129	38.86%			137	37.1%	162	48.80%		
Approaching Basic	70	19.0%	106	31.93%			54	14.6%	69	20.78%		
Unsatisfactory	26	7.0%	48	14.46%			27	7.3%	54	16.27%		
Total	274		332				274		332			

Note:

These schedules represent student performance testing data and District Achievement Level results for grade 5 in English Language Arts, Mathematics, Science, and Social Studies.

2005 was the last year of Iowa testing. From 2006 onwards, iLEAP has taken its place.

Schedule 9-d

DeSoto Parish School Board
ILEAP Tests
as of and for the year ended June 30, 2007

6th Grade Students	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	6	1.6%	9	2.47%			5	1.4%	5	1.37%		
Mastery	37	10.0%	47	12.91%			16	4.3%	32	8.79%		
Basic	141	38.2%	149	40.93%			168	45.5%	164	45.05%		
Approaching Basic	109	29.5%	105	28.85%			82	22.2%	72	19.78%		
Unsatisfactory	68	18.4%	54	14.84%			90	24.4%	91	25.00%		
Total	361		364				361		364			

6th Grade Students	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	2	0.5%	3	0.82%			9	2.4%	9	2.47%		
Mastery	35	9.5%	32	8.79%			30	8.1%	25	6.87%		
Basic	137	37.1%	132	36.26%			144	39.0%	151	41.48%		
Approaching Basic	120	32.5%	124	34.07%			111	30.1%	102	28.02%		
Unsatisfactory	67	18.2%	73	20.05%			67	18.2%	77	21.15%		
Total	361		364				361		364			

Note:

These schedules represent student performance testing data and District Achievement Level results for grade 6 in English Language Arts, Mathematics, Science, and Social Studies.

2005 was the last year of Iowa testing. From 2006 onwards, ILEAP has taken its place.

Schedule 9-e

DeSoto Parish School Board
ILEAP Tests
as of and for the year ended June 30, 2007

7th Grade Students	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	15	4.1%	10	2.38%			10	2.7%	5	1.19%		
Mastery	33	8.9%	29	6.90%			23	6.2%	19	4.52%		
Basic	182	49.3%	223	53.10%			170	46.1%	182	43.33%		
Approaching Basic	115	31.2%	121	28.81%			108	29.3%	119	28.33%		
Unsatisfactory	67	18.2%	37	8.81%			101	27.4%	95	22.62%		
Total	412		420				412		420			

7th Grade Students	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	1	0.3%	7	1.67%			7	1.9%	4	0.95%		
Mastery	32	8.7%	29	6.90%			43	11.7%	37	8.81%		
Basic	137	37.1%	145	34.52%			207	56.1%	211	50.24%		
Approaching Basic	150	40.7%	154	36.67%			104	28.2%	106	25.24%		
Unsatisfactory	93	25.2%	85	20.24%			52	14.1%	62	14.76%		
Total	413		420				413		420			

Note:

These schedules represent student performance testing data and District Achievement Level results for grade 7 in English Language Arts, Mathematics, Science, and Social Studies.

2005 was the last year of Iowa testing. From 2006 onwards, ILEAP has taken its place.

Schedule 9-f

DeSoto Parish School Board
iLEAP Tests
as of and for the year ended June 30, 2007

9th Grade Students	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	1	0.27%	3	0.84%			9	2.44%	17	4.75%		
Mastery	27	7.32%	32	8.94%			29	7.86%	27	7.54%		
Basic	168	45.53%	163	45.53%			157	42.55%	159	44.41%		
Approaching Basic	113	30.62%	110	30.73%			77	20.87%	67	18.72%		
Unsatisfactory	33	8.94%	50	13.97%			70	18.97%	88	24.58%		
Total	342		358				342		358			

9th Grade Students	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	NR		NR	0.00%			NR		NR	0.00%		
Mastery	NR		NR	0.00%			NR		NR	0.00%		
Basic	NR		NR	0.00%			NR		NR	0.00%		
Approaching Basic	NR		NR	0.00%			NR		NR	0.00%		
Unsatisfactory	NR		NR	0.00%			NR		NR	0.00%		
Total	0		0				0		0			

Note:

These schedules represent student performance testing data and District Achievement Level results for grade 9 in English Language Arts and Mathematics.

2005 was the last year of Iowa testing. From 2006 onwards, iLEAP has taken its place.